2014 Annual Report

Maryland Prepaid College Trust | Maryland College Investment Plan

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October 31, 2014

Dear Friends,

We are pleased to report continued growth in the College Savings Plans of Maryland during Fiscal Year 2014. Across both the Maryland Prepaid College Trust and the Maryland College Investment Plan, contributions from current account holders, new enrollments, and very favorable stock market performance significantly contributed to total investments in the Plans increasing by more than 20% during the fiscal year. Total investments in both Plans exceeded $4.8 billion as of June 30, 2014 for more than 177,000 beneficiaries.

Investments in the Maryland Prepaid College Trust earned about 18.5% during the fiscal year and reached approximately $895 million as of June 30, 2014 on behalf of more than 31,500 beneficiaries. Over the past year, as well as over the past several years, strong investment returns have combined with lower than projected tuition increases at Maryland's public colleges to strengthen the Trust's actuarial surplus, which reached a funded status of 143% at fiscal year-end. While this is good news, we believe there is a significant likelihood that these trends may not continue at these levels over the next several years. We will continue to work with our financial advisor and actuary to prepare for the future and sustain the long-term health of the Trust for our participants.

Investments in the Maryland College Investment Plan reached approximately $3.9 billion as of June 30, 2014. In addition, the Plan had a net gain of nearly 11,500 additional beneficiaries and reached a total of nearly 145,700 beneficiaries at fiscal year-end. With more than $400 million in contributions from account holders and favorable investment markets during the fiscal year, we are very pleased to report that the average account balance increased during the year by more than 12%, reaching $19,654 as of June 30, 2014.

Thank you for participating in the College Savings Plans of Maryland and for making college savings a priority in your family.

Sincerely,

The Board

College Savings Plans of Maryland

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COLLEGE SAVINGS PLANS OF MARYLAND – FEATURES AND BENEFITS

The **College Savings Plans of Maryland** offers affordable and flexible options to help families save for higher education expenses that can help lessen or even eliminate the need to borrow in the future to finance a college education. By choosing one or both plans, families are likely to find an option that suits their individual investing style, comfort level and budget. Both plans can be used at nearly any public or private college nationwide – hence our marketing slogan – "Save Here. Go Anywhere.®"

The **Maryland Prepaid College Trust** (sometimes referred to as Prepaid College Trust or Trust) allows participants to lock in future college tuition at today's prices and is backed by the security of a Maryland Legislative Guarantee. In the event that the Trust ever experiences a financial shortfall, Maryland law requires the Governor to include funds in the State budget to allow the Trust to pay full benefits. As with the entire State budget, the Maryland General Assembly has final approval.

Families can purchase as little as a one-semester University Plan or a one-year Community College Plan and can then purchase additional semesters or years at nearly any time at prices in effect at the time of purchase. Account holders can purchase as many as seven years of University tuition benefits, although no more than five years can be purchased on a single account. The Trust is open to 12th graders or younger, including newborns, although beneficiaries must be enrolled in the Trust for at least three years before they can begin to use their tuition benefits.

The **Maryland College Investment Plan** (sometimes referred to as College Investment Plan or Plan) is administered by the College Savings Plans of Maryland Board and managed and distributed by T. Rowe Price. It allows participants to choose from a variety of mutual fund-based portfolios. These options include Enrollment-Based Portfolios where investment allocations adjust over time to become more conservatively invested as a child ages, and Fixed Portfolios with investment allocations that remain relatively static throughout the life of the investment. Flexible contribution amounts start at $25 per month with automatic monthly contributions. In addition, the Plan has no sales loads, commissions, or enrollment fee.

The **College Investment Plan** is open for enrollment anytime during the year and is available to children and adults of any age. While most accounts are established for beneficiaries who are 18 years old or younger, the Plan can also be a good choice for adults who wish to save for their own future higher education at the undergraduate or graduate level. This Plan can also be used towards eligible trade and technical schools. Accounts can even be opened for a child who is not yet born. A future parent or grandparent can open an Account with him/herself as both the Account Holder and Beneficiary. When the child or grandchild is born, the Beneficiary can be changed to be the newborn child. This allows an early head start on saving for college.

In October 2014, we were pleased to learn that the **College Investment Plan** was one of four plans in the country to receive a "Gold" rating from Morningstar, Inc. Morningstar stated that plans with a "Gold" rating "lead the industry and represent some of the best options available for college savers." In addition to also receiving a "Gold" rating in 2013 and 2012, the College Investment Plan received Morningstar's "Top" rating in 2011 and 2010.

The **Prepaid College Trust** and the **College Investment Plan** are Section 529 plans – named after the section of the Internal Revenue Code that permits states to establish and administer tax-advantaged college savings plans. Both plans offer generous Federal and Maryland State tax benefits including:

- Tax-deferred growth at the Federal and Maryland State level;
- Tax-free earnings at the Federal and Maryland State level provided the funds are used for eligible college expenses; and
- Maryland State income deduction of contributions to either or both plans, up to $2,500 annually per account or beneficiary, depending on the plan. Contributions in excess of $2,500 annually in either plan may be carried forward and deducted in future years.

Tax-deferred growth and federally tax-free earnings are features of all 529 plans, but the ability to deduct contributions from Maryland State income applies exclusively to the **College Savings Plans of Maryland.**

Please read our entire Enrollment Kit before deciding to enroll. If you or your beneficiary live outside of Maryland, check with your state to learn if it offers tax or other benefits for investing in its 529 plan. In addition, you should periodically assess and, if appropriate, adjust your Section 529 plan investment choices with your time horizon, risk tolerance and investment objectives in mind.

MARKET COMMENTARY

Market performance has a direct effect on the overall returns for investments in the College Savings Plans of Maryland. The following is designed to provide a summary of market performance for the 12-month period ended June 30, 2014.*

ANOTHER STRONG YEAR FOR STOCKS

U.S. equities produced excellent returns for the 12 months ended June 30, 2014, overcoming a significant downturn in more richly priced stocks in March and April. The U.S. economy grew at a modest pace in the second half of 2013, supported by the Federal Reserve's broadly accommodative monetary policy, improved housing and labor markets, low inflation, and reduced fiscal headwinds. Economic growth contracted in the first quarter of 2014, however, due, in part, to harsh winter weather and cyclical inventory corrections. As the period ended, major large-cap U.S. indexes reached all-time highs, as investors looked past the economic contraction, geopolitical tensions in Ukraine, and rising oil prices due to sectarian violence in Iraq.

Mid- and large-cap stocks narrowly outpaced small-caps during the 12-month reporting period. As measured by various Russell indexes, growth stocks outperformed value among large- and small-caps, while the opposite was true for mid-cap shares. Most of the sectors in the Standard & Poor's 500 Index produced robust returns. Based on total return data from S&P, the materials, information technology, and health care sectors performed best, while energy and industrials and business services shares also outpaced the index. Utilities, consumer discretionary, financials, and consumer staples shares produced strong results but lagged the broad market. Telecommunication services stocks trailed with a small gain.

Outside the U.S., European equities benefited from reduced emphasis on austerity measures, progress on structural reforms in some countries, and data suggesting that an economic recovery was underway. The European Central Bank cut interest rates and reiterated that it stands ready to provide more liquidity to support economic growth. In Japan, a series of fiscal and monetary reforms managed to jump-start the country's stagnant economy in 2013. However, investors remained concerned about a lack of progress on more challenging structural reforms, including heavy reliance on energy imports, high debt-to-gross domestic product levels, and aging demographics. Conditions in emerging economies were mixed, with many implementing tighter monetary policies to defend their currencies and contain inflation. Overall, emerging markets stocks generated modest gains but trailed developed markets by a wide margin due to concerns that when the Federal Reserve started winding-down asset purchases in January 2014 that would also reduce global liquidity and increase risk aversion.

GLOBAL BONDS RALLY AS YIELDS RETREAT

U.S. bonds produced good returns over the last year, with much of the gain recorded in the last six months of our reporting period. Although long-term Treasury yields climbed through the end of 2013, they trended sharply lower in the first half of 2014. The Federal Reserve started tapering its quantitative easing program in January and has reduced its monthly bond purchases in $10 billion increments. The Federal Reserve is expected to finish tapering its asset purchases by the end of 2014, and follow up with its first rate increase since the global financial crisis, most likely in mid-2015.

High yield bonds significantly outperformed investment-grade securities, supported by solid corporate fundamentals, strong investor demand for attractive yields in the low-rate environment, and their lower sensitivity to interest rate changes. Within the investment-grade universe, corporate bonds performed best due to solid corporate earnings growth and investors' preference for securities offering a yield advantage. Treasuries lagged as intermediate- and long-term yields rose in anticipation of less accommodative monetary policies from the Federal Reserve as the economy gradually improves. Bonds in developed non-U.S. markets produced solid returns over the last year. European bonds fared best as low eurozone inflation and hopes for greater monetary stimulus from the European Central Bank allowed yields to fall and prices to rise. Emerging markets bonds posted solid gains in the last year despite fears of reduced global liquidity stemming from the Federal Reserve's tapering of asset purchases and concerns about slowing growth in emerging countries.

A WORD ON MARKET FLUCTUATION

Due to market uncertainties, the overall market value of the investments in the Prepaid College Trust and investments in the College Investment Plan are likely to be highly volatile and could be subject to wide fluctuations in response to factors such as regulatory or legislative changes; worldwide political uncertainties; and general economic conditions, including inflation and unemployment rates. All of these factors are beyond our control and may cause the overall value of the investments in the Prepaid College Trust and the College Investment Plan to decrease, regardless of performance or your selection of investment options. Any decrease in value could result in an actual or actuarial (unrealized) loss.

** This discussion is not a comprehensive discussion of all stock market performance. It is also not intended to be a comprehensive discussion of risks associated with the College Savings Plans of Maryland. For a more detailed discussion of these risks, see the current College Savings Plans of Maryland Enrollment Kit.*

COLLEGE COSTS REVIEW*

According to most recent information available from the College Board, nationwide college cost increases are beginning to moderate slightly. For example, the average tuition and fees for in-state students at public four-year institutions rose 2.9% after adjusting for inflation in 2013-2014, which is well below the 4.2% average annual real increase over the decade from 2003-2004 to 2013-2014. By comparison, tuition and fees at private colleges had a real increase of 2.3% for the past decade.

However, college costs are substantial and continue to rise. Here are the most recent figures from the College Board on average higher education costs for the 2013-2014 academic year (see also the accompanying table):

- The average total cost for in-state students at a four-year public university rose by 1.2% from the previous academic year, to $18,391.
- The average total cost at a four-year private college rose by 1.7% from the previous academic year, to $40,917.

Note that the "average total cost" consists of tuition, fees, room, and board for full-time, undergraduate students. It does not include other expenses such as books, supplies, and transportation, which together can add several thousand dollars to annual college costs.

Over the past year, college affordability continued to be impacted by a less-than-robust economy. Real incomes, which are adjusted for the impact of inflation, have declined at all levels of income distribution. Also, many states are continuing to constrain budgets on public institutions. For these reasons, we believe that consistent, disciplined saving is one of the best ways to pay for higher education.

THE STATE OF FINANCIAL AID

Undergraduate and graduate students received approximately $238.5 billion in financial aid during the 2012-2013 academic year (the most recent data available), and financial aid remains an important source of funding for many families. On average, each undergraduate full-time-equivalent student received $13,730, and each full-time equivalent graduate student received $25,730.

Consistent with past years, only a portion of average financial aid came in the form of grants, $7,190 and $7,800 for undergraduate and graduate students, respectively. The rest was comprised of loans, tax breaks, and Federal Work Study.

There is some good news here, however. While total education borrowing grew by 9% between 2007-2008 and 2012-2013, this is significantly less than the 55% increase in education borrowing that students experienced between 2002-2003 and 2007-2008. This information suggests that good preparation may be paying off and that college savings may be a component of that preparation.

**Statistical information provided is from the College Board's "Trends in College Pricing 2013" and "Trends in Student Aid 2013" for the 2013-2014 academic year.*

PUBLISHED TUITION, FEES, AND ROOM AND BOARD CHARGES – NATIONAL AVERAGE

	Four-Year Private College	Four-Year Public College – In-State Rates
2013–2014 Academic Year	$40,917	$18,391
Change from the previous academic year above the rate of inflation	1.7%	1.2%
Average annual percentage increase over the past decade above the rate of inflation	2.1%	3.2%

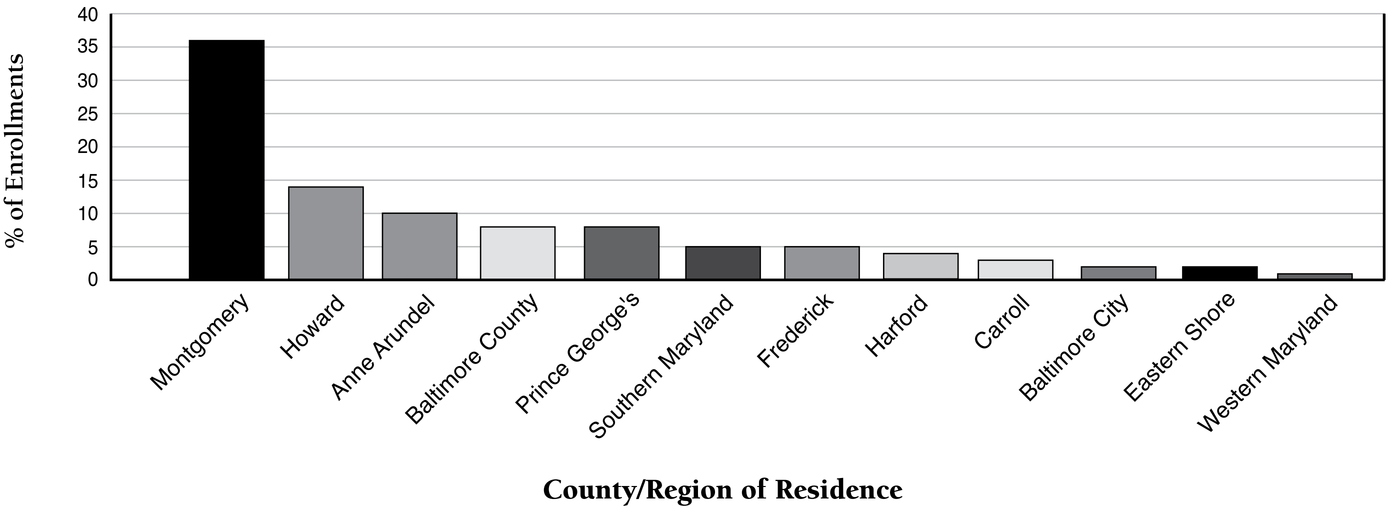
SOURCES: COLLEGE BOARD, T. ROWE PRICE

MARYLAND PREPAID COLLEGE TRUST

PROFILE OF NEW PREPAID COLLEGE TRUST ENROLLMENTS

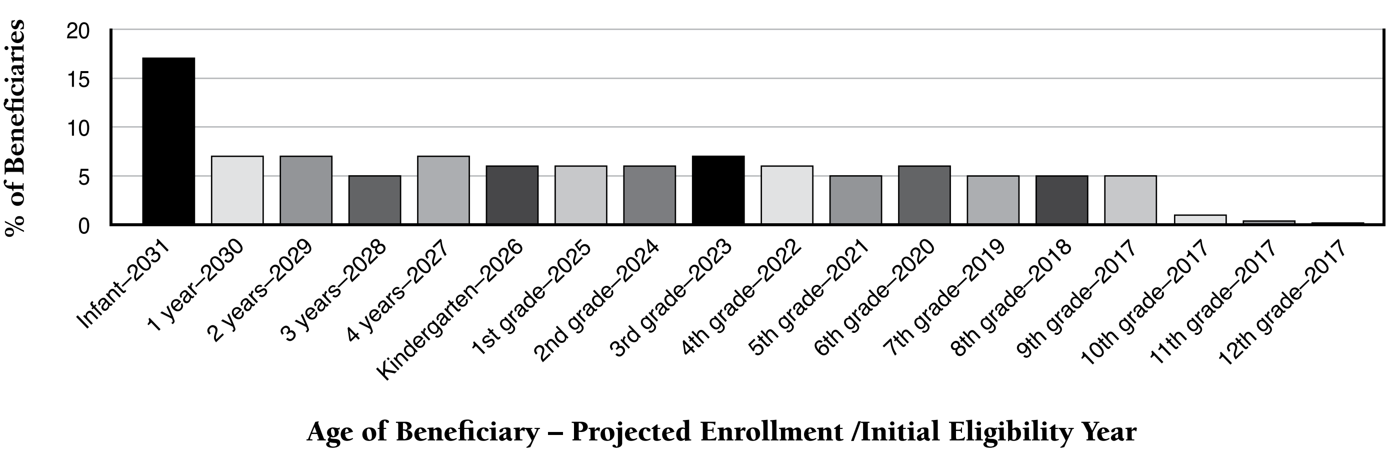
New Enrollment by County/Region

Of the approximately 1,858 new enrollments that were received in the past year, Montgomery County residents produced the largest number of account holders, accounting for 36% of all new enrollments. Howard County was the second largest source of new enrollments (14%), followed by Anne Arundel (10%), and Baltimore (8%) counties, as illustrated in the following chart:



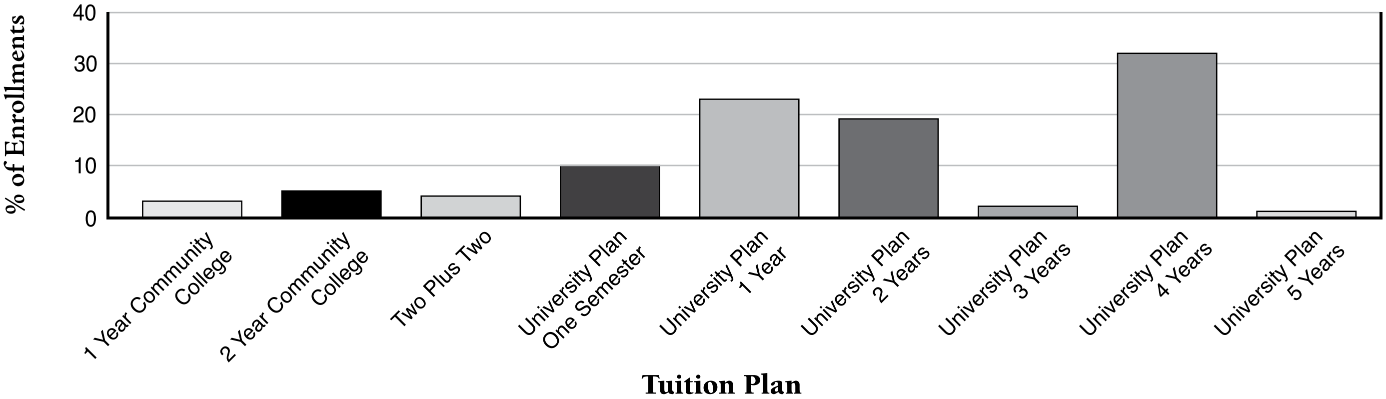
Age of New Beneficiaries at Time of Enrollment

The infant age group provided the largest percentage of new enrollments of any age group in 2013-2014, with 17% of new enrollments. This age group can be enrolled anytime during the year and is not limited to an enrollment period. From age 1 through 9th grade, enrollments are fairly evenly distributed, with each age group representing 5-7% of new enrollments. Combined enrollments for older students in the 10th-12th grades provided the remaining 2%.



Tuition Plan Selected

The four-year University Plan was our most popular enrollment option in 2013-2014, with 32% of new enrollments. The next most popular options were the one-year University Plan (23%) and the two-year University Plan (19%). Together, these three tuition plans comprised 74% of total tuition plans purchased.



MORE STUDENTS USE PREPAID COLLEGE TRUST TUITION BENEFITS AT COLLEGES NATIONWIDE

4,931 students had claimed their benefits for the fall 2014 semester as of October 22, 2014. Approximately 42% of these students are attending Maryland public colleges, while 58% are attending a wide variety of private and out-of-state colleges across the country.

ACTUARIAL SOUNDNESS REPORT

The summary of the actuarial valuation issued by Gabriel Roeder Smith & Company dated October 28, 2014 appears on page 6. The purpose of the actuarial valuation is to assess the future value of the Trust's assets and its liabilities, and is discounted to reflect their present value.

As of June 30, 2014, the Trust was 143% funded with an actuarial surplus of $321.5 million, as compared with the previous fiscal year, where the Trust was 125% funded with an actuarial surplus of $187.5 million.

There are two primary reasons for the increase in the amount of the actuarial surplus. First, the Trust's investments produced an overall return of 18.5% during fiscal year 2014, as compared with the stated goal of 7.65%. This had a significant positive effect on the actuarial valuation. Second, the weighted average tuition at Maryland's public 4-year colleges increased by 3.1% for the 2014-2015 academic year. This actual increase is less than our projected tuition increase of 6% and a mandatory fee increase of 10% for 2014-2015. Since the actual increase was lower than our projection, this also had a positive effect on actuarial valuation.

The key measures of soundness as of June 30 for each of the most recent five fiscal years are included in the chart below:

	2014	2013	2012	2011	2010
Actuarial Surplus/(Deficit) (mil)	$321.5	$187.5	$124.9	$122.3	$2.5
Funded Ratio	143%	125%	117%	117%	100%

GRS

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October 28, 2014

Treasurer Nancy K. Kopp
Board Chair
College Savings Plans of Maryland
217 E. Redwood Street, Suite 1350
Baltimore, MD 21202

Re: Maryland Prepaid College Trust Actuarial Valuation as of June 30, 2014

Dear Treasurer Kopp:

At the request of the College Savings Plans of Maryland ("CSPM"), Gabriel, Roeder, Smith & Company ("GRS") has performed an actuarial soundness valuation of the Maryland Prepaid College Trust ("MPCT") as of June 30, 2014. Although the term "actuarial soundness" is not specifically defined, the purpose of this actuarial valuation is to evaluate the financial status of the MPCT as of June 30, 2014. This report should not be relied on for any other purpose.

The attached full actuarial report presents the principal results of the actuarial valuation of the MPCT, including the following:

- A comparison of the actuarial present value of the obligations for prepaid tuition contracts purchased through June 30, 2014, with the value of the assets associated with the program as of that same date;
- An analysis of the factors which caused the deficit/surplus to change since the prior actuarial valuation; and
- A summary of the actuarial assumptions and methods utilized in the actuarial calculations.

As of June 30, 2014, the present value of all future tuition obligations under contracts outstanding (and including future administrative expenses) at that date is $756.6 million. Fund assets as of June 30, 2014, including the market value of program assets and the present value of installment contract receivables, is $1,078.2 million.

The difference between the market value of assets of $1,078.2 million and program obligations of $756.6 million represents a program surplus of $321.5 million as of June 30, 2014. The comparable program surplus as of the last actuarial valuation as of June 30, 2013, was $187.5 million.

The funded ratio of the program as of June 30, 2014 is 142.5%. This compares with a funded ratio as of June 30, 2013 of 125.1%.

To the best of our knowledge, the information contained in the full actuarial report is accurate and fairly presents the actuarial position of the Maryland Prepaid College Trust as of June 30, 2014.

The valuation results set forth in the full actuarial report are based upon data and information, furnished by CSPM, concerning program benefits, financial transactions, and beneficiaries of the MPCT. We reviewed this information for internal year-to-year consistency, but did not otherwise audit the data. Further, the data and information provided is through June 30, 2014, and does not reflect subsequent market volatility. The major actuarial assumptions used in the actuarial valuation were provided by and are the responsibility of CSPM.

All calculations have been made in conformity with generally accepted actuarial principles and practices commonly applicable to similar types of arrangements.

This is one of multiple documents comprising the actuarial report for the MPCT actuarial valuation. Additional information regarding actuarial assumptions and methods, and important additional disclosures are provided in the full actuarial valuation report as of June 30, 2014.

The signing actuaries are independent of CSPM. Lance Weiss, Amy Williams, and Paul Wood are members of the American Academy of Actuaries and meet the Qualification standards of the American Academy of Actuaries to render the actuarial opinion herein.

Respectfully submitted,
Gabriel, Roeder, Smith & Company

Lance J. Weiss, EA, MAAA, FCA
Senior Consultant

Amy Williams, ASA, MAAA, FCA
Consultant

Paul T. Wood, ASA, MAAA, FCA
Consultant

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of
College Savings Plans of Maryland

Report on the Financial Statements

We have audited the accompanying statement of net position of the Maryland Prepaid College Trust (the Trust), as of June 30, 2014, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Trust's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The Trust's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Trust as of June 30, 2014, and the changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economical or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Trust's basic financial statements. The other data and information in the Annual Report is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Hunt Valley, Maryland
October 27, 2014

SB + Company, LLC

MARYLAND PREPAID COLLEGE TRUST

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the **Prepaid College Trust's** financial performance provides an overview of its financial activities for the fiscal year ended June 30, 2014. This discussion is designed to provide a general overview of the Trust's operations and the College Savings Plans of Maryland management's analysis of its financial statements. The discussion should be read in conjunction with the Trust's financial statements and notes, which begin on page 15. Inquiries may be directed to the Trust at **CollegeSavingsMD.org** or by mailing your request to 217 E. Redwood Street, Suite 1350, Baltimore, MD 21202. The financial statements of the Trust for the fiscal year ended June 30, 2014 have been audited by SB & Company, LLC who are also the independent public accountants for the State of Maryland.

Prepaid College Trust Financial Statements

We have prepared the Prepaid College Trust financial statements in accordance with accounting standards generally accepted in the United States and the standards issued by the Governmental Accounting Standards Board (GASB). Financial statements provide information about the operation and net position of the Trust as a whole and present a long-term view of the Trust's finances.

Financial Highlights

- The Prepaid College Trust began receiving payments in fiscal year 2014 from approximately 2,500 new enrollments received during fiscal year 2013. This is because the initial payments for these accounts were due on August 1, 2013. Contract receipts were less than the past fiscal year due a lower number of (i) account holders who made early contract payoffs and (ii) payments made in advance by account holders during the year.

Contract Receipts from Participants *(in thousands)*

Fiscal Year Ended June 30, 2014	Fiscal Year Ended June 30, 2013
$57,924	$65,343

- Enrollment and other fees, as well as administrative expenses of the College Savings Plans of Maryland, are accounted for in the financial statements of the Prepaid College Trust. Each account holder enters into a contract with the Prepaid College Trust for the prepayment of tuition. Each contract is for one or two years of community college and/or a semester or year(s) of university tuition benefits, which become available based on the enrollment year(s) purchased and after the contract has matured for at least three years. The Trust uses fees from three sources to pay administrative expenses of the College Savings Plans of Maryland:

  (1) A percent of all contract payments made to the Prepaid College Trust – this fee has been 2.5% since the 2001 enrollment period;

  (2) Enrollment and other fees paid to the Prepaid College Trust; and

  (3) Payments from the Program Manager of the College Investment Plan as follows: 4 basis points (.04%) on College Investment Plan assets up to $1 billion and an additional 6 basis points (.06%) on assets over $1 billion.

Revenues from enrollment fees have decreased due to a lower number of completed new enrollments by the end of the fiscal year as compared to the prior year. Fees received from the College Investment Plan increased approximately 21% from fiscal year 2013 due to an increase in Plan assets.

Enrollment and Administrative Fees *(in thousands)*

	Fiscal Year Ended June 30, 2014	Fiscal Year Ended June 30, 2013
Prepaid College Trust	$ 91	$ 116
College Investment Plan	2,930	2,324
Total	$ 3,021	$ 2,440

- During fiscal year 2014, the Trust continued to invest contract payments received into its diversified investment portfolio. The increase from 2013 to 2014 is generally due to market performance.

Investments *(in thousands)*

	As of June 30, 2014		As of June 30, 2013	
	Amount	Percent	Amount	Percent
S&P 500 Core	$123,090	13.7%	$ 91,681	12.1%
Large Cap Value	113,783	12.7%	88,926	11.7%
Large Cap Growth	102,440	11.4%	80,635	10.7%
Small Cap Value	82,070	9.2%	61,063	8.1%
Small/Mid Cap Core	6	0.0%	32,305	4.3%
Private Equity	8,383	0.9%	2,025	0.3%
International	74,331	8.3%	58,683	7.8%
Developed Markets Equity	27,743	3.1%	22,458	3.0%
Emerging Markets Equity	27,247	3.1%	24,733	3.3%
Global Real Estate	35,770	4.0%	31,497	4.2%
Private Real Estate	41,156	4.6%	0	0.0%
Intermediate Duration Fixed Income	126,696	14.2%	144,532	19.1%
Short Duration Fixed Income	0	0.0%	32,629	4.3%
Emerging Market Debt	81,748	9.1%	57,930	7.7%
High Yield Fixed Income	40,756	4.6%	26,814	3.4%
Commodities	10,071	1.1%	0	0.0%
Total investments	$895,290	100.0%	$755,911	100.0%

ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

Statement of Net Position

The Statement of Net Position presents the assets, liabilities, and net position of the Trust as of June 30, 2014. Net position is defined as total assets less total liabilities. The Statement of Net Position, along with all of the Trust's financial statements, is prepared using the accrual basis of accounting. Under this method of accounting, revenues and assets are recognized when the enrollment materials are received in good order, benefit distributions and refunds are recognized when paid, and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged.

MARYLAND PREPAID COLLEGE TRUST

The following chart presents the condensed Statement of Net Position as of June 30, 2014 and June 30, 2013:

(in millions)	As of June 30, 2014	As of June 30, 2013
Assets		
Current	$ 987.2	$839.1
Noncurrent	116.7	117.7
Total	1,103.9	956.8
Liabilities		
Current	99.4	92.2
Noncurrent	677.2	672.7
Total	776.6	764.9
Net Position	$ 327.3	$191.9

The Trust classifies assets and liabilities as current and noncurrent. Current assets consist primarily of investments, tuition contracts receivable, as well as cash and cash equivalents. Of these amounts, investments comprise approximately 91% of current assets. Tuition contracts receivable represent virtually all of the noncurrent assets.

Current liabilities consist of the current portion of the Trust's accrued tuition benefits. Also included in this category are payments received in advance of their due date, accounts payable and accrued expenses. Noncurrent liabilities consist of accrued tuition benefits.

For the fiscal year ended June 30, 2014, the net position of the Trust increased by $135.4 million. This was due to two factors. The most significant factor which caused net position to increase was the Trust's 18.5% return on investments, which was higher than the projected rate of return of 7.5%. An additional factor was the continuation of the positive effect of lower than projected increases in tuition and mandatory fees for the current academic year at the University System of Maryland. The actual increase in tuition and mandatory fees was 3.1% as compared to the projected tuition increase of 7% and a mandatory fee increase of 10% for the 2014-2015 academic year. Since these lower increases in tuition and mandatory fees were included in the actuarial valuation for the 2013-2014 enrollment period and the previous soundness evaluation, net position was positively impacted.

Statement of Revenues, Expenses and Changes in Net Position

Changes in net position are based on the activity presented in the Statement of Revenues, Expenses and Changes in Net Position. The purpose of this statement is to present both operating and non-operating revenues received by the Trust and the expenses, gains and losses incurred by the Trust.

Operating revenues consist of tuition contract revenue and administrative fees, both of which are primarily generated by new enrollments in the Trust. Operating expenses are those expenses paid to acquire goods or services and tuition benefits. Non-operating revenues are primarily revenues received from investments.

The chart below presents the condensed Statement of Revenues, Expenses and Changes in Net Position for the fiscal years ended June 30, 2014 and June 30, 2013:

(in millions)	Fiscal Year Ended June 30, 2014	Fiscal Year Ended June 30, 2013
Operating revenues		
Tuition contracts	$ 52.7	$ 69.6
Administrative fees	4.5	4.1
Total	57.2	73.7
Operating expenses		
Tuition benefits	61.0	79.6
Administrative expenses	2.6	2.4
Total	63.6	82.0
Operating loss	(6.4)	(8.3)
Non-operating revenues		
Change in fair value of investments gain (loss)	122.5	53.7
Investment income	19.3	18.3
Total	141.8	72.0
Change in net position	$ 135.4	$ 63.7

For the fiscal year ended June 30, 2014, the Trust reported an operating loss of $6.4 million. The decrease in operating loss of $1.9 million from the fiscal year ended June 30, 2013 was the result of tuition benefit expense exceeding tuition contract revenue by $8.3 million, a lower number of new contracts than the prior fiscal year, and net administrative and operating income of $1.9 million for the fiscal year. Non-operating revenue includes $122.5 million in unrealized and realized investment gains and $19.3 million of other investment income. Combined, operating loss and non-operating revenue resulted in an increase in net position of $135.4 million.

Statement of Cash Flows

The Statement of Cash Flows presents cash flows by the following categories: operating, investing, and capital and related financing activities. The net cash provided by or used by the Trust by category is also presented.

The condensed Statement of Cash Flows for the fiscal years ended June 30, 2014 and June 30, 2013 is presented below:

(in millions)	Fiscal Year Ended June 30, 2014	Fiscal Year Ended June 30, 2013
Cash provided (used) by:		
Operating activities	$ 7.4	$ 12.9
Investing activities	7.4	(29.4)
Capital and related financing activities	(0.1)	0
Net change in cash and cash equivalents	14.7	(16.5)
Cash and cash equivalents, beginning of year	14.4	30.9
Cash and cash equivalents, end of year	$ 29.1	$ 14.4

Increases in cash were due primarily to contract payments made by account holders, which were offset by tuition benefit payments, as well as proceeds from the Trust's investment portfolio.

Budgetary Control and Financial Oversight

The Prepaid College Trust is administered by the College Savings Plans of Maryland, an independent State agency that does not receive an appropriation from the State of Maryland. The Board, however, in accordance with the enabling legislation for the Prepaid College Trust, prepares and submits an annual budget to the Maryland General Assembly for informational purposes. Also, in accordance with its fiduciary obligations, each quarter, the Board reviews a comparison of actual and budgeted expenditures in connection with its administration of the Trust.

Economic Factors

Long-term variances in projections, particularly for tuition and investment returns, can affect the Trust's financial position. The Board and its actuarial consultant and investment advisor review the assumptions used for tuition increases and projected rate of return on investments at least annually.

This review includes an analysis of prior year trends in tuition increases and investment performance. Specifically, the Board reviewed the weighted average tuition for Maryland resident students at four-year Maryland public universities, which increased 3.1% from the 2013-2014 academic year and 2.8% from the 2012-2013 academic year. The Board also reviewed the rate of return on the Prepaid College Trust investments, which was a gain of 18.5% and 10.7% for fiscal year 2014 and 2013, respectively.

As part of the Board's review of these trends, it consults with its investment advisor and actuary and thoroughly reviews various potential scenarios when developing future projections that it believes to be reasonable. This year's projections were used in developing the Actuarial Soundness Report as of June 30, 2014.

While both the Actuarial Soundness Report and the contract prices are based on many projections, two key projections are those for future tuition increases and investment returns. Key projections selected by the Board for the Actuarial Soundness Report included average annual tuition increases of 6%, with mandatory fees increasing at an annual rate of 10%. The Board selected a projected 7.65% annual rate of return for the Actuarial Soundness Report and used a slightly more conservative 7.5% rate of return to calculate prices. The Board believes that these key projections, while subject to sudden and unexpected changes in the future, are reasonable.

CAPITAL ASSETS

The Trust had no significant capital asset additions during the fiscal year ended June 30, 2014.

Statement of Net Position
As of June 30, 2014

(amounts in thousands)

	Tuition and Investments	Administration/ Operating	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 22,653	$ 6,469	$ 29,122
Investments, at fair value	895,290	0	895,290
Tuition contracts receivable	61,062	0	61,062
Interest receivable	979	0	979
Accounts receivable	0	705	705
Total current assets	979,984	7,174	987,158
Noncurrent assets:			
Capital assets, net	0	62	62
Tuition contracts receivable, net of current portion	116,676	0	116,676
Total noncurrent assets	116,676	62	116,738
Total assets	1,096,660	7,236	1,103,896
LIABILITIES			
Current liabilities:			
Accrued tuition benefits	79,467	0	79,467
Advance tuition contract payments	14,458	0	14,458
Accounts payable and accrued expenses	5,000	393	5,393
Compensated absences	0	112	112
Total current liabilities	98,925	505	99,430
Noncurrent liabilities:			
Accrued tuition benefits, net of current portion	677,160	0	677,160
Total noncurrent liabilities	677,160	0	677,160
Total liabilities	776,085	505	776,590
NET POSITION			
Net investment in capital assets	0	62	62
Unrestricted:			
Tuition and investments	317,998	6,669	324,667
Restricted:			
Administration	2,577	0	2,577
Total net position	$ 320,575	$6,731	$ 327,306

See accompanying Notes to Financial Statements.

Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2014

(amounts in thousands)

	Tuition and Investments	Administration/ Operating	Total
OPERATING REVENUES			
Tuition contracts	$ 52,672	$ 0	$ 52,672
Management fee	0	1,460	1,460
Maryland College Investment Plan fees	0	2,930	2,930
Enrollment and other fees	0	91	91
Total operating revenues	52,672	4,481	57,153
OPERATING EXPENSES			
Tuition benefits	61,034	0	61,034
Salaries, wages and benefits	0	1,150	1,150
Technical and special fees	0	142	142
Communication	0	110	110
Travel	0	21	21
Marketing	0	212	212
Contractual services	0	613	613
Supplies	0	39	39
Fixed charges	0	210	210
Depreciation	0	46	46
Other expenses	0	11	11
Total operating expenses	61,034	2,554	63,588
Operating income (loss)	(8,362)	1,927	(6,435)
NON-OPERATING REVENUES			
Net increase in the fair value of investments	122,551	0	122,551
Investment income	19,297	0	19,297
Total non-operating revenues	141,848	0	141,848
TRANSFER TO RESTRICTED RESERVE	721	(721)	0
Change in net position	134,207	1,206	135,413
Total net position, beginning of year	186,368	5,525	191,893
Total net position, end of year	$320,575	$6,731	$327,306

See accompanying Notes to Financial Statements.

Statement of Cash Flows
For the Fiscal Year Ended June 30, 2014

(amounts in thousands)

Cash Flows from Operating Activities:	
Receipts from:	
Account holders	$ 58,015
Maryland College Investment Plan fees	2,874
Payments to:	
Employees	(1,191)
Marketing	(184)
Contract vendors	(642)
Communication	(97)
Universities and account holders	(50,995)
Other operating expenses	(409)
Net cash from operating activities	7,371
Cash Flows from Investing Activities:	
Interest income	3
Proceeds from sale of investments	7,438
Net cash from investing activities	7,441
Cash Flows Used for Capital and Related Financing Activities:	
Purchase of capital assets	(68)
Net increase in cash and cash equivalents	14,744
Cash and cash equivalents, beginning of year	14,378
Cash and cash equivalents, end of year	$ 29,122
Reconciliation of operating loss to net cash from operating activities:	
Operating loss	$ (6,435)
Adjustments to reconcile operating loss to net cash from operating activities:	
Depreciation	46
Effect from change in non-cash operating assets and liabilities:	
Accounts payable	(31)
Other liabilities	1
Accounts receivable	(76)
Tuition contracts receivable	7,154
Advance contract payments	(1,889)
Accrued tuition benefits payable	8,601
Net cash from operating activities	$ 7,371
Non-cash transactions:	
Unrealized gain on investments	$100,839

See accompanying Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2014

1. ORGANIZATION AND PURPOSE

The purpose of the Maryland Prepaid College Trust (Trust) is to provide a means for payment of the cost of tuition and mandatory fees in advance of enrollment at eligible institutions of higher education. It provides for the payment of tuition and mandatory fees based in part on current costs of Maryland public colleges and universities. An account holder enters into a contract for the future payment of tuition and mandatory fees for a beneficiary. When the beneficiary enrolls in college, the Trust will pay the contract benefits. The beneficiary has ten years after the projected enrollment year, plus the number of years purchased, to use the contract benefits. This time period may be extended by any time served in active U.S. military duty. The contract benefits are based on State of Maryland resident rates for Maryland four-year public colleges and universities and in-county rates for Maryland community colleges. Contract benefits can be used towards these costs at any accredited, degree granting, private or out-of-state college or university.

The Maryland General Assembly created the Trust during the 1997 legislative session. The Trust is a program of the College Savings Plans of Maryland, a component unit and independent agency of the State of Maryland (State), authorized by the Maryland Annotated Code (Code), Education Article, Section 18, Subtitle 19 (Enabling Legislation). The College Savings Plans of Maryland Board (Board) directs the Trust. The Board consists of ten members; five of which are ex-officio members. The ex-officio members are the Comptroller of the State of Maryland, the Treasurer of the State of Maryland, the Secretary of Higher Education, the State Superintendent of Schools and the Chancellor of the University System of Maryland. The five remaining members are public members appointed by the Governor.

By law, the Trust's funds are not considered moneys of the State and may not be deposited into the General Fund of the State of Maryland. Funds remaining in the Trust at the end of any fiscal year remain in the Trust rather than reverting to the State General Fund. In addition, all administrative costs for the College Savings Plans of Maryland (including the Maryland College Investment Plan) are accounted for in the financial statements of the Trust.

Legislation passed in 2000 established an additional financial guarantee that requires the Governor to include in his budget the amount of any shortfall of Trust assets to pay current contract liabilities. As with all aspects of the Governor's budget, the Maryland General Assembly has final approval of any amount included therein. Based on the funded status of 143% contained within the Actuarial Soundness Report dated October 28, 2014 and issued by Gabriel Roeder Smith & Company, as of June 30, 2014, the Governor would not be required to include an amount in any future budget. If a future appropriation would be required and the Maryland General Assembly does not fully fund the budget request, the Board may adjust the terms of subsequent or current contracts to ensure continued actuarial soundness of the Trust. As of June 30, 2014, the Trust assets exceeded its discounted estimated liability for future tuition and mandatory fee payments.

Legislation passed in 1998 and 1999 established tax incentives for Maryland residents participating in the Trust. All contributions made by an account holder to the Trust may be deducted from Maryland State adjusted gross income in an amount up to $2,500 for each contract annually. Contributions made in excess of $2,500 per account in a single year may be carried forward and deducted from an account holder's State adjusted gross income in consecutive future years until the full amount contributed to the account has been deducted. Beginning January 1, 2002, earnings on contributions are tax free for Federal and State purposes when used toward eligible qualified higher education expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus and Basis of Accounting

The activities operated by the Trust are accounted for as an enterprise fund. An enterprise fund focuses on the flow of economic resources, which, together with the maintenance of equity, is an important financial indicator. The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure as of the date of the financial statements. Actual results could differ from those estimates. Therefore, the accompanying financial statements have been prepared on the accrual basis of accounting whereby revenues are recorded when earned and expenses are recorded when incurred, regardless of the timing of cash flows.

The Trust's tuition and investment net position is classified as unrestricted assets. It distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the Trust's principal ongoing operations. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The principal operating revenues of the Trust are tuition contract payments and enrollment fees. The principal non-operating revenues are investment gains and income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

The Trust records revenues for tuition contracts in the year the Trust enters into contracts with the account holder. Tuition contracts receivable is recorded at the present value of future expected contract payments. As of June 30, 2014, the Trust used a 7.5% discount rate, which was based on the anticipated rate of return on investments over the life of the prepaid contract. The Trust recognizes revenue for enrollment fees when an enrollment fee is received and the contract is accepted by the Board. Payments received in advance of due dates from account holders are recorded as a deferred liability.

Investments

Investments are stated at fair value. Unrealized appreciation and depreciation on investments due to changes in fair value is recognized in the Trust's operations each year. Investments are valued on a daily basis except for private equity, private real estate and the global REIT fund. These funds are valued no less frequently than monthly ($139,162,779 or 15.5% of net investments as of June 30, 2014).

Tuition Contracts Receivable

Tuition contracts receivable as of June 30, 2014 as reported on the Statement of Net Position represents management's best estimate of the present value of future contract payments. This is calculated by using a 7.5% discount rate.

Capital Assets

Capital assets are stated at cost less accumulated depreciation. Capital assets are depreciated on a straight-line basis over the following useful lives:

Computers	3 years
Furniture	10 years
Equipment	5 years
Software	3 years
Perpetual software license	7 years

The capitalization threshold for all capital assets is $500.

Tuition Contracts Payable

Tuition contracts payable as of June 30, 2014 as reported on the Statement of Net Position represents management's best estimate of the present value of future tuition benefit payments. This is calculated by using a 7.5% discount rate.

Compensated Absences

The Trust accrues for obligations that may arise in connection with compensated absences for annual leave at the current rate. Employees fully vested in all earned but unused annual leave, up to a maximum of 600 hours, are eligible to receive compensation, at the current rate, on termination of State employment.

Risk Management

The Trust is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to and illness of employees; and natural disasters. The Trust participates in the State's various self-insurance programs. The State is self-insured for general liability, property and casualty, workers compensation, environmental and anti-trust liabilities and certain employee health benefits.

The State allocates the cost of providing claims servicing and claims payment by charging a "premium" to the Trust based on a percentage of the Trust's estimated current year payroll or based on the average loss experienced by the Trust. This charge considers recent trends in actual claims experience of the State as a whole and makes provisions for catastrophic losses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Risk Management (continued)

The Trust is also exposed to various risks of loss related to securities fraud. The College Savings Plans of Maryland and its Board, individually and collectively, are insured under a Directors and Officers liability insurance policy. The amount of the coverage is $5,000,000 per annum.

There have been no significant reductions in insurance coverage from the prior year. There have never been any insurance claims against the Trust; therefore, the amount of settlements has not exceeded insurance coverage in the past three fiscal years.

New Accounting Pronouncement

In June 2012, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* – an amendment of GASB Statement No. 27 (GASB 68), effective for the fiscal years beginning after June 15, 2014. The Plan is still in process of determining the effect of implementing GASB 68.

3. DEPOSITS AND INVESTMENTS

Custodial Risk

Cash and cash equivalents consist of amounts maintained in a bank account controlled by the Trust, pooled cash maintained by the Maryland State Treasurer and overnight investments with original maturities of 90 days or less. Cash deposits of the Trust are made in accordance with the Code, which requires depositories to give security in the form of collateral as provided in the Code, for the safekeeping, when required, of these deposits.

As of June 30, 2014, the carrying amount of the Trust's cash and cash equivalents was $29,121,767. The bank balance totaled $32,521,941 and pooled cash maintained by the State Treasurer totaled $233,870. The Prepaid College Trust periodically deposits funds into pooled cash accounts maintained by the State Treasurer for the purpose of paying Prepaid College Trust administrative expenses. Of the bank balances, $250,000 represents deposits covered by federal depository insurance and $20,092,814 represents funds invested in repurchase agreements. The repurchase agreements are not registered, not insured, and collateral securities are held by the State Treasurer's custodian, but not in the Trust's name.

4. INVESTMENTS

The Maryland Prepaid College Trust Statement of Investment Policy (Investment Policy), adopted by the Board as required by the Enabling Legislation, allows the Trust to purchase investments including domestic, international and private equities; domestic, foreign and high yield bonds; global real estate equities; private real estate; commodities and other governmental agency instruments, as well as money market deposits based on the Investment Policy's specified portfolio allocation.

The Investment Policy specifies the portfolio allocation, which considers the investment safety and liquidity characteristics while aiming for the specified yield target of the Trust. It is management's practice to have no investments with longer maturities than what is expected to fund tuition obligations based on actuarial projections.

As of June 30, 2014, the Trust had the following investment maturities (amounts in thousands):

Investment Maturities *(in Years)*

Investment Type	Fair Value	Less than 1	1-5	6-10	11-15	More than 15
U.S. Govt. money market mutual fund	$ 4,906	$ 4,906	$ 0	$ 0	$ 0	$ 0
U.S. Treasury notes	16,675	0	6,504	2,506	0	7,665
U.S. Govt. agencies	46,937	0	3,940	1,791	6,265	34,941
Corporate bonds	58,228	708	11,375	17,532	2,508	26,105
Municipal bonds	2,834	0	108	0	0	2,726
International fixed income fund	596	0	0	0	596	0
Common stock	201,981	201,981	0	0	0	0
Private equity fund	8,383	8,383	0	0	0	0
Emerging market equity fund	27,247	27,247	0	0	0	0

4. INVESTMENTS (CONTINUED)

		Investment Maturities *(in Years)*				
Investment Type	Fair Value	Less than 1	1-5	6-10	11-15	More than 15
Private real estate fund	$ 41,156	$ 41,156	$ 0	$ 0	$ 0	$ 0
Emerging market debt fund	81,748	81,748	0	0	0	0
High yield funds	40,756	40,756	0	0	0	0
Commodities fund	10,071	10,071	0	0	0	0
REIT's	676	676	0	0	0	0
S&P 500 Index mutual fund	123,090	123,090	0	0	0	0
Large cap mutual fund	113,783	113,783	0	0	0	0
International mutual fund	74,331	74,331	0	0	0	0
Developed markets mutual fund	27,743	27,743	0	0	0	0
Real estate mutual fund	14,149	14,149	0	0	0	0
Total	$895,290	$770,728	$21,927	$21,829	$9,369	$71,437

Credit Risk

The Investment Policy details the minimum quality standards for the Trust's bond portfolios. The Trust's mutual fund investments, excluding repurchase agreements that are treated as cash equivalents, are not subject to classification by credit risk because the Trust owns units rather than specific securities. The U.S. Government money market fund is not considered to have credit risk and is not rated. All such investments are in mutual fund shares stated at fair value based upon quoted market prices.

At June 30, 2014, the Trust had the following investments and quality ratings:

Investment Type	Fair Value	Rating	Rating Organization
U.S. Government agencies	$ 63,612	*	*
Bonds	12,011	AAA	Moody's
Bonds	7,047	AA	Moody's
Bonds	10,518	A	Moody's
Bonds	22,729	Less than A	Moody's
Bonds	9,353	Not rated	
Total	$125,270		

** Effective August 5, 2011, Standard and Poor's modified its long-term sovereign credit rating on the United States of America to AA+ and affirmed the A-1+ short-term rating.*

Concentration of Credit Risk

The Trust's policy for reducing the risk of loss is detailed in the Investment Policy and in the investment guidelines for separately managed accounts. These guidelines limit a single investment to 5% of each bond portfolio's market value, except U.S. Treasury notes and bonds. It also limits a single investment to 7.5% of the equity portfolio's market value. Furthermore, the Investment Policy defines the maximum allocation allowed in a single sector.

Custodial Risk

The Trust's securities are issued in the Trust's name and are maintained in separate accounts held by M&T Bank, the Trust's custodian as of June 30, 2014.

5. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2014 was as follows (amounts in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets being depreciated:				
Computers	$176	$68	$ (1)	$243
Furniture	34	0	(5)	29
Equipment	5	0	0	5
Software	57	0	0	57
Perpetual software license	561	0	0	561
Total capital assets at historical cost	833	68	(6)	895
Less accumulated depreciation for:				
Computers	156	35	0	191
Furniture	17	2	0	19
Equipment	5	0	0	5
Software	57	0	0	57
Perpetual software license	552	9	0	561
Total accumulated depreciation	787	46	0	833
Capital assets, net	$ 46	$22	$ (6)	$ 62

6. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

As of June 30, 2014, accounts payable and accrued expenses consisted of the following (amounts in thousands)

Due to vendors	$5,315
Salaries and employee benefits	78
Total	$5,393

7. PENSION AND POST-RETIREMENT BENEFITS

Eligible employees of the Trust, as employees of the State, are covered under the retirement plans of the State Retirement and Pension System of Maryland (the System). The System is a cost sharing multiple-employer defined benefit pension plan administered by its Board of Trustees in accordance with Article 73B of the Code. Eligible employees are required to contribute to the System a fixed percentage of their regular salaries and wages that exceed the Social Security wage base. The Trust is required to make contributions to the System based on actuarial valuations. The contribution requirements of eligible employees and the Trust are established and may be amended by the System Board of Trustees. The Trust's only liability for retirement benefits is its required annual contribution, which it has funded 100 percent during the fiscal years ended June 30, 2014, 2013, and 2012. The required annual contributions for the fiscal years ended June 30, 2014, 2013 and 2012, respectively were: $115,989, $106,476, and $89,437. As of June 30, 2014, there were no retirees from the Trust. The System prepares a separate audited Comprehensive Annual Financial Report, which can be obtained from the State Retirement and Pension System of Maryland, 120 East Baltimore Street, Baltimore, Maryland 21202. In addition, the plan is included in the State's Comprehensive Annual Report (CAFR), which can be obtained from the Comptroller of Maryland, Goldstein Treasury Building, Annapolis, Maryland 21404.

Eligible employees of the Trust, as employees of the State, are also entitled to certain healthcare benefits upon retirement. These other post employment benefits are administered by the State Office of Personnel through a trust established by the State to accumulate funds to pay benefits as a cost sharing multiple employer plan. Under the plan, retired employees are able to purchase health insurance benefits with the State paying a portion of the cost. The Trust is not required to make contributions to the plan. As of June 30, 2014, there were no retirees from the Trust. The Postemployment Health Benefits Trust Fund of the State of Maryland prepares separate audited financial statements and the plan is included in the State's CAFR, both of which can be obtained from the Comptroller of Maryland.

8. TAX EXEMPT STATUS

The Trust is exempt from Federal taxation in accordance with Section 529 of the Internal Revenue Code. Additionally, the Trust is exempt from State and local taxation in accordance with the Enabling Legislation.

9. ACCRUED TUITION BENEFITS

The Trust's consulting actuary independently determines the Trust's actuarial present value of future contract tuition benefit payments. The actuarial calculation is based on the present value of estimated future tuition benefit payments to be made from the Trust, which includes assumptions for future tuition and mandatory fee increases and contract terminations that are determined by the Board and its actuary. A 7.5% discount rate is used in determining the value of the future contract tuition benefits.

The significant assumptions used for this calculation are discussed below:

Tuition and Mandatory Fee Increases: The Weighted Average Tuition (WAT) is the in-state or in-county tuition and mandatory fees at each Maryland public college times the number of full-time equivalent in-state or in-county students enrolled at that college, added together. This total is then divided by the number of full-time equivalent in-state or in-county students enrolled at all Maryland public colleges. For the fiscal year ended June 30, 2014, the tuition component of the WAT for Maryland public universities and community colleges is projected to increase 6% per annum, and the mandatory fee component of the WAT is projected to increase 10% per annum.

Investment Return: The actuarial valuation of the Trust fund was determined using an assumed 7.65% rate of return on investments. It is further assumed that the Trust fund is exempt from Federal income tax.

Enrollment of Trust Beneficiaries: It is assumed that beneficiaries will attend college full-time, commencing with their expected matriculation date. Contract beneficiaries are assumed to attend the various colleges and universities in the same proportion as the headcount information that was used to determine the 2014-2015 WAT with an 8% bias load added to university plan contracts.

Bias Load: The term bias load is a reference to the expectation that more beneficiaries of the Trust will attend a Maryland public 4-year university with tuition and mandatory fees that are higher than the WAT. The 8% bias load used relates to the estimated percentage increase in expenditures by the Trust over the WAT as a result of the attendance by beneficiaries at these colleges.

Changes in accrued tuition benefits payable for the year ended June 30, 2014 were as follows (amounts in thousands):

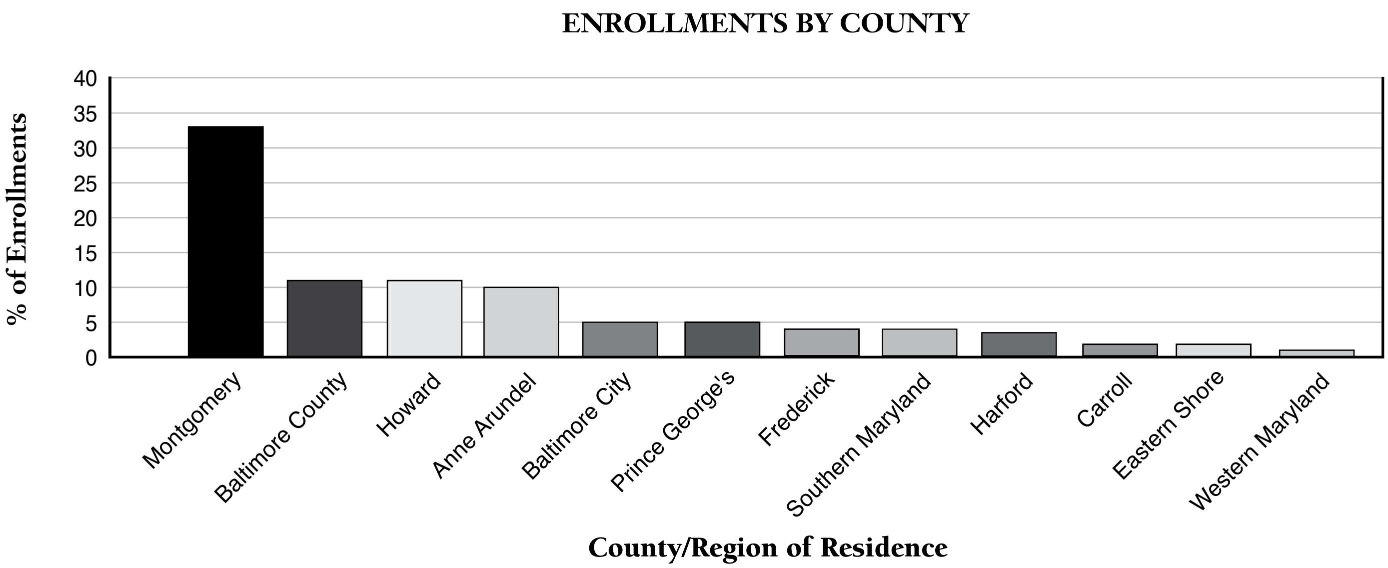
July 1, 2013	Increase	Decrease	June 30, 2014	Amount due within one year
$ 748,025	$ 59,597	$ 50,995	$ 756,627	$ 79,467

MARYLAND COLLEGE INVESTMENT PLAN

PROFILE OF NEW COLLEGE INVESTMENT PLAN ENROLLMENTS

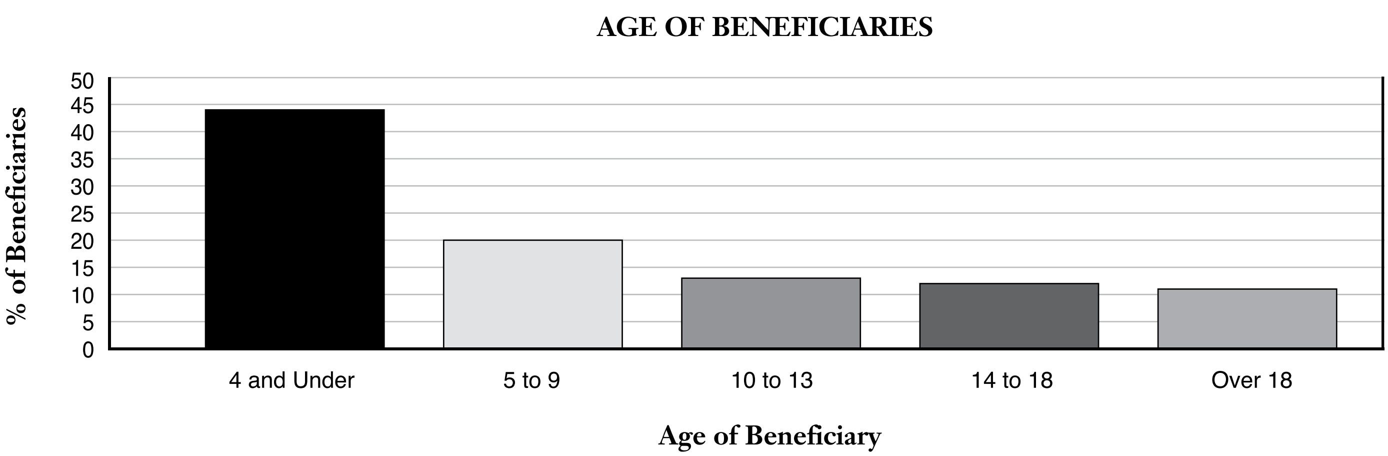
New Enrollment by County/Region

Of the 28,917 new accounts in the College Investment Plan for the year ended June 30, 2014, Montgomery had the highest number of any Maryland county or region at 33% of the total. Approximately 32% of new accounts were concentrated in Baltimore County (11%), Howard County (11%), and Anne Arundel County (10%). The following chart shows a breakdown of the counties and regions of residence for the College Investment Plan account holders.



Age of New Beneficiaries at Time of Enrollment

Approximately 44% of all new beneficiaries were 4 years old or younger and approximately 63% of beneficiaries were 9 years old or younger. The College Investment Plan permits beneficiaries of any age, with 11% of new beneficiaries over 18 years of age, as shown in the chart below.

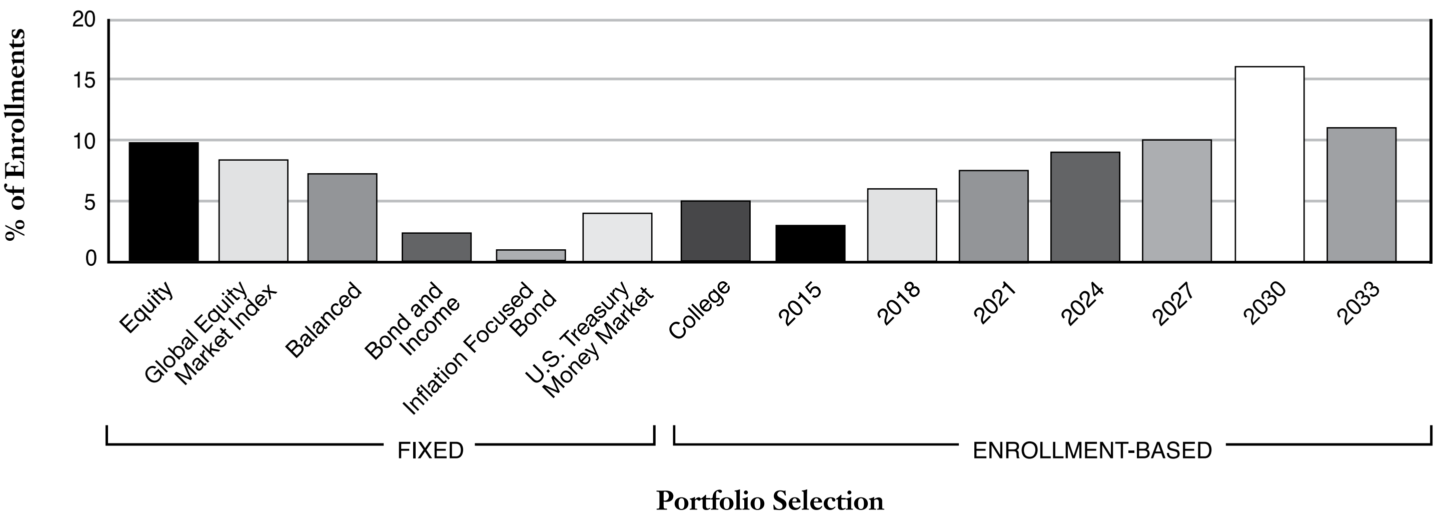


MARYLAND COLLEGE INVESTMENT PLAN

Investment Portfolio Selections

Trends in investment selection by new account holders during the fiscal year show that the Enrollment-Based Portfolios, with investment mixes that generally adjust automatically to be more conservative over time, continue to be a popular choice. Portfolio 2030 was selected for approximately 16% of new accounts, the most of any investment portfolio. Among the Fixed Portfolios, the Equity Portfolio and the Global Equity Market Index Portfolio were also popular choices, having together been selected for approximately 18% of new accounts.

PORTFOLIO SELECTION



SYSTEMATIC INVESTING

Approximately 46% of accounts in the College Investment Plan are funded by the automatic monthly contribution feature. Automatic monthly contributions are made by automatically debiting a bank account or making a payroll deduction.

STUDENTS USING ACCOUNTS TOWARD COLLEGE EXPENSES

Many beneficiaries who were enrolled in the College Investment Plan in the initial years after the Plan's launch in December 2001 are now reaching college age. From July 1, 2013 through June 30, 2014, excluding rollovers to other 529 plans, distributions were taken for 16,433 unique beneficiaries totaling approximately $207 million.

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of
College Savings Plans of Maryland

Report on the Financial Statements

We have audited the accompanying statement of fiduciary net position of the Maryland College Investment Plan (the Plan), as of June 30, 2014, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The Plan's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

200 International Circle • Suite 5500 • Hunt Valley • Maryland 21030 • P 410.584.0060 • F 410.584.0061

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Plan as of June 30, 2014, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economical or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the basic financial statements that collectively comprise the Plan's basic financial statements. The other data and information, including the individual portfolio statements of net position as of June 30, 2014, and the individual portfolio statements of operations and changes in net position for the year then ended, in the Annual Report is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

SB & Company, LLC

Hunt Valley, Maryland
October 27, 2014

2

MARYLAND COLLEGE INVESTMENT PLAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the College Investment Plan's financial performance provides an overview of its financial activities for the fiscal year ended June 30, 2014. This discussion is designed to provide a general overview of the College Investment Plan operations and the Board's insight into its financial statements. This discussion was prepared by the College Savings Plans of Maryland and should be read in conjunction with the Maryland College Investment Plan's financial statements and notes, which begin on page 47. Inquiries may be directed to the College Investment Plan at **CollegeSavingsMD.org** or by mailing your request to 217 E. Redwood Street, Suite 1350, Baltimore, MD 21202. The financial statements of the Plan for the fiscal year ended June 30, 2014 have been audited by SB & Company, LLC who are also the independent public accountants for the State of Maryland.

College Investment Plan Financial Statements and Other Financial Information

The College Investment Plan financial statements were prepared in accordance with generally accepted accounting principles. The financial statements contained in this Annual Report provide information about the activities of the College Investment Plan as a whole and present a long-term view of the Plan's finances. Portfolio financial statements are presented as Supplementary Information beginning on page 53.

FINANCIAL HIGHLIGHTS BY PORTFOLIO – AS OF JUNE 30, 2014

General Commentary

To assist in reviewing the performance of the portfolios, we have established a weighted benchmark for each. The weighted benchmark, which varies by portfolio, is an unmanaged composite of the benchmark associated with each asset class and investment style contained within the portfolio. In addition, each asset class benchmark is selected as an appropriate representation of the assets in underlying T. Rowe Price mutual funds and is weighted at the strategic neutral allocation of the asset class within each fund. Additionally, the portfolios invest in securities that are outside of the designated benchmark. These securities have been strategically incorporated to potentially add long-term performance benefits while also helping to limit portfolio volatility.

Target allocations of Enrollment-Based Portfolios (except the Portfolio for College) shift each quarter to more conservative allocations through increased exposure to fixed income securities.

The following table sets forth the relevant dates for certain portfolios. The inception date for all other portfolios is November 26, 2001. Benchmark performance for those portfolios commenced on November 30, 2001. Portfolios are not always open to new investors as of their inception date.

PORTFOLIO	INCEPTION DATE AND BENCHMARK PERFORMANCE START DATE
PORTFOLIO 2033	December 31, 2012
PORTFOLIO 2030	December 31, 2009
U.S. TREASURY MONEY MARKET PORFOLIO	December 31, 2009
PORTFOLIO 2027	June 30, 2006
GLOBAL EQUITY MARKET INDEX PORTFOLIO	June 30, 2006
PORTFOLIO 2024	October 31, 2003
INFLATION FOCUSED BOND PORTFOLIO	October 31, 2003

For consistency, numbers have been rounded to the nearest 10th of a percent.

PORTFOLIO 2033

Performance Comparison as of June 30, 2014

	6 MONTHS	12 MONTHS	ANNUALIZED SINCE INCEPTION
PORTFOLIO 2033	6.4%	24.5%	23.3%
Weighted Benchmark	6.7%	24.2%	23.7%

The Portfolio 2033 had a positive return for the six and 12 months ended June 30, 2014. The Portfolio outperformed its weighted benchmark over the 12-month period primarily due to the outperformance of the Blue Chip Growth Fund and Value Fund, which was partly offset by the underperformance of the International Growth & Income Fund and Overseas Stock Fund. The Portfolio underperformed its weighted benchmark over the six-month period primarily due to the underperformance of the Blue Chip Growth Fund and Overseas Stock Fund.

Among U.S. equity holdings, the Portfolio has a large investment in the Equity Index 500 Fund, which is a passively managed index fund that generated solid absolute returns for the six and 12 months ended June 30, 2014. The Equity Index 500 Fund underperformed its benchmark index for the six- and 12-month periods, primarily due to the Fund's operating expenses and management fees that the index does not incur. For the 12-month period, the Blue Chip Growth Fund and Value Fund had positive returns. The Blue Chip Growth Fund outperformed primarily due to stock selection in the health care and information technology sectors, while the Value Fund outperformed primarily due to stock selection in the energy and information technology sectors.

For the six-month period, the Value Fund contributed to absolute and relative results, however, the Blue Chip Growth Fund underperformed its benchmark for the six-month period primarily due to stock selection and an overweight allocation to the consumer discretionary sector. Stock selection in the information technology sector also detracted from relative results.

The International Growth & Income Fund generated positive absolute returns for the 12-month period but underperformed its benchmark primarily due to stock selection in the industrials and business services sector. Over the six-month period, the International Growth & Income Fund generated a positive absolute return, but underperformed primarily due to stock selection in the industrials and business services sector. The Overseas Stock Fund generated positive absolute returns for the 12-month period but underperformed its benchmark primarily due to stock selection in the health care and financials sectors. Over the six-month period, the Overseas Stock Fund generated a positive absolute return, but stock selection in the health care and financials sectors detracted from relative results.

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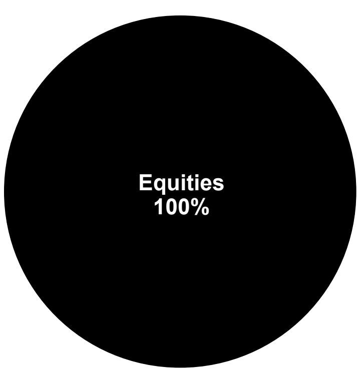
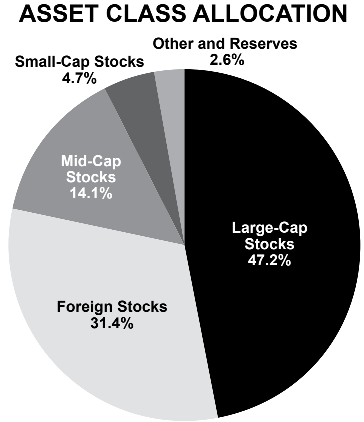


ASSET CLASS ALLOCATION



MUTUAL FUND ALLOCATION

Equity Index 500 Fund	30.6%
Blue Chip Growth Fund	12.8
Value Fund	11.4
International Growth & Income Fund	8.8
Overseas Stock Fund	8.1
International Stock Fund	7.6
Emerging Markets Stock Fund	5.1
Small-Cap Stock Fund	4.6
Real Assets Fund	4.1
Mid-Cap Value Fund	3.6
Mid-Cap Growth Fund	3.3

PORTFOLIO 2030

Performance Comparison as of June 30, 2014

	6 MONTHS	12 MONTHS	ANNUALIZED SINCE INCEPTION
PORTFOLIO 2030	6.4%	24.5%	14.3%
Weighted Benchmark	6.7%	24.2%	14.4%

The Portfolio 2030 had a positive return for the six and 12 months ended June 30, 2014. The Portfolio outperformed its weighted benchmark over the 12-month period primarily due to the outperformance of the Blue Chip Growth Fund and Value Fund, which was partly offset by the underperformance of the International Growth & Income Fund and Overseas Stock Fund. The Portfolio underperformed its weighted benchmark over the six-month period primarily due to the underperformance of the Blue Chip Growth Fund and Overseas Stock Fund.

Among U.S. equity holdings, the Portfolio has a large investment in the Equity Index 500 Fund, which is a passively managed index fund that generated solid absolute returns for the six and 12 months ended June 30, 2014. The Equity Index 500 Fund underperformed its benchmark index for the six- and 12-month periods, primarily due to the Fund's operating expenses and management fees that the index does not incur. For the 12-month period, the Blue Chip Growth Fund and Value Fund had positive returns. The Blue Chip Growth Fund outperformed primarily due to stock selection in the health care and information technology sectors, while the Value Fund outperformed primarily due to stock selection in the energy and information technology sectors.

For the six-month period, the Value Fund contributed to absolute and relative results, however, the Blue Chip Growth Fund underperformed its benchmark for the six-month period primarily due to stock selection and an overweight allocation to the consumer discretionary sector. Stock selection in the information technology sector also detracted from relative results.

The International Growth & Income Fund generated positive absolute returns for the 12-month period but underperformed its benchmark primarily due to stock selection in the industrials and business services sector. Over the six-month period, the International Growth & Income Fund generated a positive absolute return, but underperformed primarily due to stock selection in the industrials and business services sector. The Overseas Stock Fund generated positive absolute returns for the 12-month period but underperformed its benchmark primarily due to stock selection in the health care and financials sectors. Over the six-month period, the Overseas Stock Fund generated a positive absolute return, but stock selection in the health care and financials sectors detracted from relative results.

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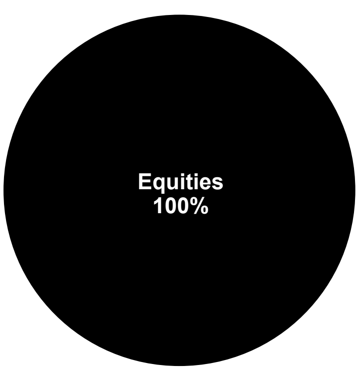
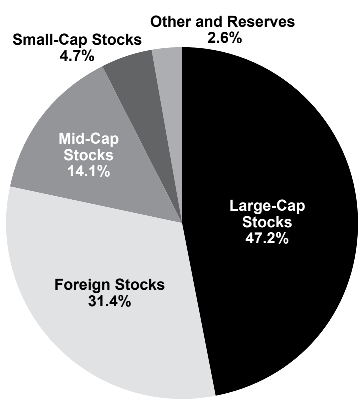


ASSET CLASS ALLOCATION



MUTUAL FUND ALLOCATION

Equity Index 500 Fund	30.6%
Blue Chip Growth Fund	12.8
Value Fund	11.4
International Growth & Income Fund	8.8
Overseas Stock Fund	8.1
International Stock Fund	7.6
Emerging Markets Stock Fund	5.1
Small-Cap Stock Fund	4.6
Real Assets Fund	4.1
Mid-Cap Value Fund	3.6
Mid-Cap Growth Fund	3.3

PORTFOLIO 2027

Performance Comparison as of June 30, 2014

	6 MONTHS	12 MONTHS	ANNUALIZED SINCE INCEPTION
PORTFOLIO 2027	6.2%	23.5%	7.2%
Weighted Benchmark	6.5%	22.6%	6.9%

The Portfolio 2027 had a positive return for the six and 12 months ended June 30, 2014. The Portfolio outperformed its weighted benchmark over the 12-month period primarily due to the outperformance of the Blue Chip Growth Fund, Value Fund, and Spectrum Income Fund, which was partly offset by the underperformance of the International Growth & Income Fund and Overseas Stock Fund. The Portfolio underperformed its weighted benchmark over the six-month period primarily due to the underperformance of the Blue Chip Growth Fund and Overseas Stock Fund.

Among U.S. equity holdings, the Portfolio has a large investment in the Equity Index 500 Fund, which is a passively managed index fund that generated solid absolute returns for the six and 12 months ended June 30, 2014. The Equity Index 500 Fund underperformed its benchmark index for the six- and 12-month periods, primarily due to the Fund's operating expenses and management fees that the index does not incur. For the 12-month period, the Blue Chip Growth Fund and Value Fund had positive returns. The Blue Chip Growth Fund outperformed primarily due to stock selection in the health care and information technology sectors, while the Value Fund outperformed primarily due to stock selection in the energy and information technology sectors.

For the six-month period, the Value Fund contributed to absolute and relative results, however, the Blue Chip Growth Fund underperformed its benchmark for the six-month period primarily due to stock selection and an overweight allocation to the consumer discretionary sector. Stock selection in the information technology sector also detracted from relative results.

The International Growth & Income Fund generated positive absolute returns for the 12-month period but underperformed its benchmark primarily due to stock selection in the industrials and business services sector. Over the six-month period, the International Growth & Income Fund generated a positive absolute return, but underperformed primarily due to stock selection in the industrials and business services sector. The Overseas Stock Fund generated positive absolute returns for the 12-month period but underperformed its benchmark primarily due to stock selection in the health care and financials sectors. Over the six-month period, the Overseas Stock Fund generated a positive absolute return, but stock selection in the health care and financials sectors detracted from relative results.

The Spectrum Income Fund posted a solid absolute gain for the six- and 12-month periods ended June 30, 2014, and outperformed its benchmark. Outperformance for both periods was primarily due to the Fund's out-of-benchmark exposure to dividend-paying equities, high yield bonds, and emerging markets bonds.

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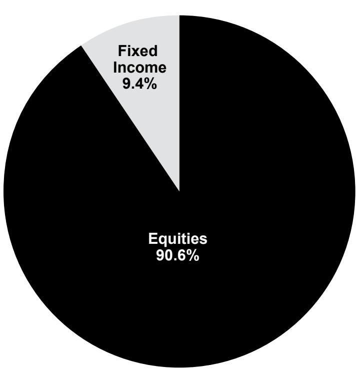
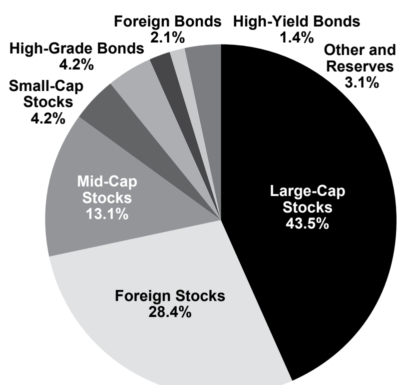


ASSET CLASS ALLOCATION



MUTUAL FUND ALLOCATION

Equity Index 500 Fund	27.8%
Blue Chip Growth Fund	11.6
Value Fund	10.3
Spectrum Income Fund	8.7
International Growth & Income Fund	7.9
Overseas Stock Fund	7.3
International Stock Fund	6.9
Emerging Markets Stock Fund	4.7
Small-Cap Stock Fund	4.1
Real Assets Fund	3.7
Mid-Cap Value Fund	3.3
Mid-Cap Growth Fund	3.0
Inflation Focused Bond Fund	0.5
Summit Cash Reserves Fund	0.2

PORTFOLIO 2024

Performance Comparison as of June 30, 2014

	6 MONTHS	12 MONTHS	ANNUALIZED SINCE INCEPTION
PORTFOLIO 2024	6.0%	21.1%	7.8%
Weighted Benchmark	6.1%	19.5%	7.6%

The Portfolio 2024 had a positive return for the six and 12 months ended June 30, 2014. The Portfolio outperformed its weighted benchmark over the 12-month period primarily due to the outperformance of the Spectrum Income Fund, Blue Chip Growth Fund, and Value Fund, which was partly offset by the underperformance of the International Growth & Income Fund and Overseas Stock Fund. The Portfolio performed in line with its weighted benchmark over the six-month period.

Among U.S. equity holdings, the Portfolio has a large investment in the Equity Index 500 Fund, which is a passively managed index fund that generated solid absolute returns for the six and 12 months ended June 30, 2014. The Equity Index 500 Fund underperformed its benchmark index for the six- and 12-month periods, primarily due to the Fund's operating expenses and management fees that the index does not incur. For the 12-month period, the Blue Chip Growth Fund and Value Fund had positive returns. The Blue Chip Growth Fund outperformed primarily due to stock selection in the health care and information technology sectors, while the Value Fund outperformed primarily due to stock selection in the energy and information technology sectors.

For the six-month period, the Value Fund contributed to absolute and relative results, however, the Blue Chip Growth Fund underperformed its benchmark for the six-month period primarily due to stock selection and an overweight allocation to the consumer discretionary sector. Stock selection in the information technology sector also detracted from relative results.

The International Growth & Income Fund generated positive absolute returns for the 12-month period but underperformed its benchmark primarily due to stock selection in the industrials and business services sector. Over the six-month period, the International Growth & Income Fund generated a positive absolute return, but underperformed primarily due to stock selection in the industrials and business services sector. The Overseas Stock Fund generated positive absolute returns for the 12-month period but underperformed its benchmark primarily due to stock selection in the health care and financials sectors. Over the six-month period, the Overseas Stock Fund generated a positive absolute return, but stock selection in the health care and financials sectors detracted from relative results.

The Spectrum Income Fund posted a solid absolute gain for the six- and 12-month periods ended June 30, 2014, and outperformed its benchmark. Outperformance for both periods was primarily due to the Fund's out-of-benchmark exposure to dividend-paying equities, high yield bonds, and emerging markets bonds.

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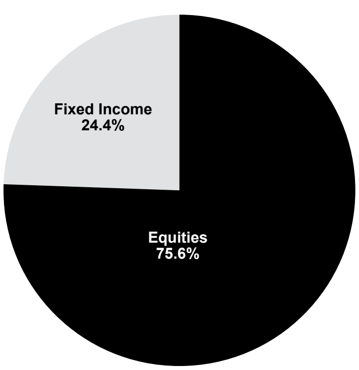
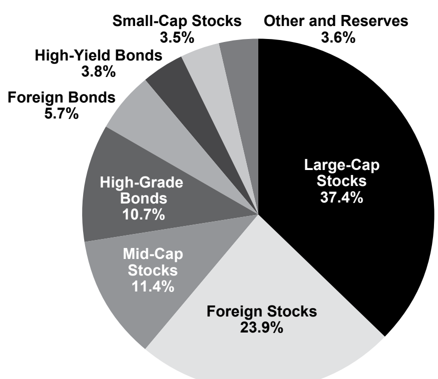


ASSET CLASS ALLOCATION



MUTUAL FUND ALLOCATION

Spectrum Income Fund	23.7%
Equity Index 500 Fund	23.1
Blue Chip Growth Fund	9.7
Value Fund	8.6
International Growth & Income Fund	6.6
Overseas Stock Fund	6.1
International Stock Fund	5.7
Emerging Markets Stock Fund	3.9
Small-Cap Stock Fund	3.4
Real Assets Fund	3.1
Mid-Cap Value Fund	2.8
Mid-Cap Growth Fund	2.6
Inflation Focused Bond Fund	0.5
Summit Cash Reserves Fund	0.2

PORTFOLIO 2021

Performance Comparison as of June 30, 2014

	6 MONTHS	12 MONTHS	ANNUALIZED SINCE INCEPTION
PORTFOLIO 2021	5.9%	18.6%	6.3%
Weighted Benchmark	5.6%	16.3%	6.2%

The Portfolio 2021 had a positive return for the six and 12 months ended June 30, 2014, and outperformed its weighted benchmark for both periods. Outperformance for the 12-month period was primarily due to the Spectrum Income Fund, Blue Chip Growth Fund, and Value Fund, which was partly offset by the underperformance of the International Growth & Income Fund. Outperformance for the six-month period was primarily due to the Spectrum Income Fund.

The Spectrum Income Fund posted a solid absolute gain for the six- and 12-month periods ended June 30, 2014, and outperformed its benchmark. Outperformance for both periods was primarily due to the Fund's out-of-benchmark exposure to dividend-paying equities, high yield bonds, and emerging markets bonds.

Among U.S. equity holdings, the Portfolio has a large investment in the Equity Index 500 Fund, which is a passively managed index fund that generated solid absolute returns for the six and 12 months ended June 30, 2014. The Equity Index 500 Fund underperformed its benchmark index for the six- and 12-month periods, primarily due to the Fund's operating expenses and management fees that the index does not incur. For the 12-month period, the Blue Chip Growth Fund and Value Fund had positive returns. The Blue Chip Growth Fund outperformed primarily due to stock selection in the health care and information technology sectors, while the Value Fund outperformed primarily due to stock selection in the energy and information technology sectors.

For the six-month period, the Value Fund contributed to absolute and relative results, however, the Blue Chip Growth Fund underperformed its benchmark for the six-month period primarily due to stock selection and an overweight allocation to the consumer discretionary sector. Stock selection in the information technology sector also detracted from relative results.

The International Growth & Income Fund generated positive absolute returns for the 12-month period but underperformed its benchmark primarily due to stock selection in the industrials and business services sector. Over the six-month period, the International Growth & Income Fund generated a positive absolute return, but underperformed primarily due to stock selection in the industrials and business services sector.

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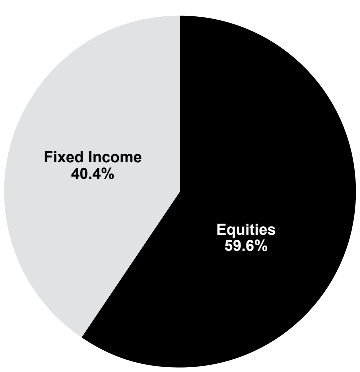

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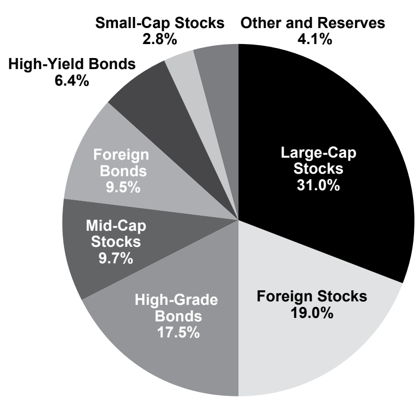

MUTUAL FUND ALLOCATION

Spectrum Income Fund	39.7%
Equity Index 500 Fund	18.2
Blue Chip Growth Fund	7.6
Value Fund	6.8
International Growth & Income Fund	5.3
Overseas Stock Fund	4.8
International Stock Fund	4.5
Emerging Markets Stock Fund	3.1
Small-Cap Stock Fund	2.7
Real Assets Fund	2.4
Mid-Cap Value Fund	2.2
Mid-Cap Growth Fund	2.0
Inflation Focused Bond Fund	0.4
Summit Cash Reserves Fund	0.3

PORTFOLIO 2018

Performance Comparison as of June 30, 2014

	6 MONTHS	12 MONTHS	ANNUALIZED SINCE INCEPTION
PORTFOLIO 2018	5.2%	15.5%	6.1%
Weighted Benchmark	4.9%	13.0%	5.9%

The Portfolio 2018 had a positive return for the six and 12 months ended June 30, 2014. The Portfolio outperformed its weighted benchmark over the six- and 12-month periods, primarily due to outperformance by the Spectrum Income Fund.

The Spectrum Income Fund posted a solid absolute gain for the six- and 12-month periods ended June 30, 2014, and outperformed its benchmark. Outperformance for both periods was primarily due to the Fund's out-of-benchmark exposure to dividend-paying equities, high yield bonds, and emerging markets bonds.

The Inflation Focused Bond Fund normally invests 50% or more of its net assets in a diversified mix of short- and intermediate-term investment-grade inflation-linked securities, including Treasury inflation protected securities (TIPS). This Fund generated positive absolute returns but underperformed its benchmark for the past 12 months primarily due to its shorter-than-benchmark duration (duration is a measure of the Fund's interest rate sensitivity). The Fund's TIPS positions earned lower yields compared with the longer-duration TIPS held in the benchmark. Underperformance for the past six months primarily resulted from the Fund's out-of-benchmark allocations to non-TIPS sectors such as investment-grade corporate bonds and asset-backed securities, as TIPS generally outperformed due to rising inflation expectations during the period.

Among U.S. equity holdings, the Portfolio has a large investment in the Equity Index 500 Fund, which is a passively managed index fund that generated solid absolute returns for the six and 12 months ended June 30, 2014. The Equity Index 500 Fund underperformed its benchmark index for the six- and 12-month periods, primarily due to the Fund's operating expenses and management fees that the index does not incur.

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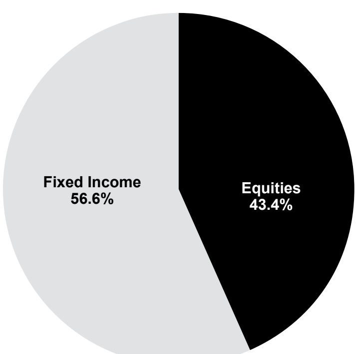

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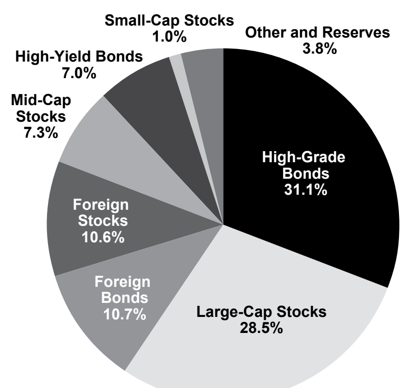


MUTUAL FUND ALLOCATION

Spectrum Income Fund	42.9%
Equity Index 500 Fund	21.0
Inflation Focused Bond Fund	7.7
Short-Term Bond Fund	5.8
Blue Chip Growth Fund	4.6
Value Fund	3.9
International Growth & Income Fund	3.0
Overseas Stock Fund	2.7
International Stock Fund	2.6
Real Assets Fund	1.8
Emerging Markets Stock Fund	1.1
Mid-Cap Value Fund	1.0
Mid-Cap Growth Fund	0.9
Small-Cap Stock Fund	0.8
Summit Cash Reserves Fund	0.2

PORTFOLIO 2015

Performance Comparison as of June 30, 2014

	6 MONTHS	12 MONTHS	ANNUALIZED SINCE INCEPTION
PORTFOLIO 2015	3.2%	9.1%	5.6%
Weighted Benchmark	3.6%	9.1%	5.6%

The Portfolio 2015 had a positive return for the six and 12 months ended June 30, 2014. The Portfolio performed in line with its weighted benchmark over the 12-month period. The Portfolio underperformed its weighted benchmark over the 6-month period primarily due to the underperformance of the Inflation Focused Bond Fund.

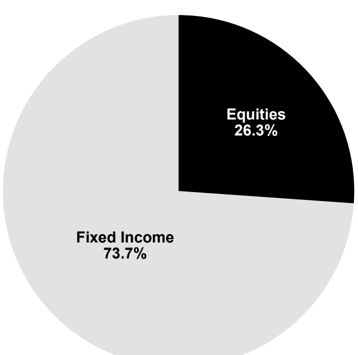
The Inflation Focused Bond Fund normally invests 50% or more of its net assets in a diversified mix of short- and intermediate-term investment-grade inflation-linked securities, including Treasury inflation protected securities (TIPS). This Fund generated positive absolute returns but underperformed its benchmark for the past 12 months primarily due to its shorter-than-benchmark duration (duration is a measure of the Fund's interest rate sensitivity). The Fund's TIPS positions earned lower yields compared with the longer-duration TIPS held in the benchmark. Underperformance for the past six months primarily resulted from the Fund's out-of-benchmark allocations to non-TIPS sectors such as investment-grade corporate bonds and asset-backed securities, as TIPS generally outperformed due to rising inflation expectations during the period.

The Short-Term Bond Fund generated positive absolute returns and outperformed its benchmark in both the six- and 12-month periods ended June 30, 2014. For both periods, the Short-Term Bond Fund benefited from its overweight allocation to short-term, investment-grade corporate debt; its underweight to U.S. Treasury securities relative to its benchmark; and its out-of-benchmark exposure to mortgage-backed securities.

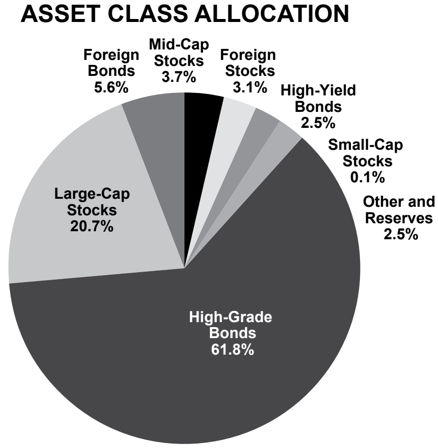
The Spectrum Income Fund posted a solid absolute gain for the six- and 12-month periods ended June 30, 2014, and outperformed its benchmark. Outperformance for both periods was primarily due to the Fund's out-of-benchmark exposure to dividend-paying equities, high yield bonds, and emerging markets bonds.

Among U.S. equity holdings, the Portfolio has a large investment in the Equity Index 500 Fund, which is a passively managed index fund that generated solid absolute returns for the six and 12 months ended June 30, 2014. The Equity Index 500 Fund underperformed its benchmark index for the six- and 12-month periods, primarily due to the Fund's operating expenses and management fees that the index does not incur.

STYLE ALLOCATION



ASSET CLASS ALLOCATION



MUTUAL FUND ALLOCATION

Inflation Focused Bond Fund	31.7%
Short-Term Bond Fund	27.7
Equity Index 500 Fund	22.6
Spectrum Income Fund	14.0
Real Assets Fund	1.1
International Growth & Income Fund	0.9
Overseas Stock Fund	0.9
International Stock Fund	0.8
Summit Cash Reserves Fund	0.3

PORTFOLIO FOR COLLEGE

Performance Comparison as of June 30, 2014

	6 MONTHS	12 MONTHS	ANNUALIZED SINCE INCEPTION
PORTFOLIO FOR COLLEGE	2.4%	6.0%	3.5%
Weighted Benchmark	2.5%	6.0%	3.5%

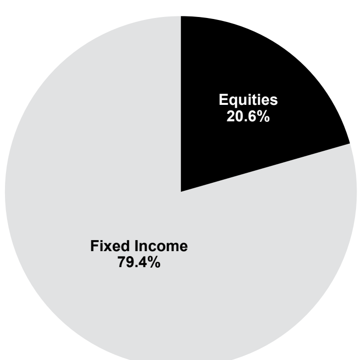
The Portfolio for College posted positive returns and performed in line with its weighted benchmark for the six and 12 months ended June 30, 2014.

The Inflation Focused Bond Fund normally invests 50% or more of its net assets in a diversified mix of short- and intermediate-term investment grade inflation-linked securities, including Treasury inflation protected securities (TIPS). This Fund underperformed its benchmark for the past 12 months primarily due to its shorter-than-benchmark duration (duration is a measure of the Fund's interest rate sensitivity). The Fund's TIPS positions earned lower yields compared with the longer-duration TIPS held in the benchmark. Underperformance for the past six months primarily resulted from the Fund's out-of-benchmark allocations to non-TIPS sectors such as investment-grade corporate bonds and asset-backed securities, as TIPS generally outperformed due to rising inflation expectations during the period.

The Short-Term Bond Fund generated positive absolute returns and outperformed its benchmark in both the six- and 12-month periods ended June 30, 2014. For both periods, the Short-Term Bond Fund benefited from its overweight allocation to short-term, investment-grade corporate debt; its underweight to U.S. Treasury securities relative to its benchmark; and its out-of-benchmark exposure to mortgage-backed securities.

Among U.S. equity holdings, the Portfolio has a large investment in the Equity Index 500 Fund, which is a passively managed index fund that generated solid absolute returns for the six and 12 months ended June 30, 2014. The Equity Index 500 Fund underperformed its benchmark index for the six- and 12-month periods, primarily due to the Fund's operating expenses and management fees that the index does not incur.

STYLE ALLOCATION



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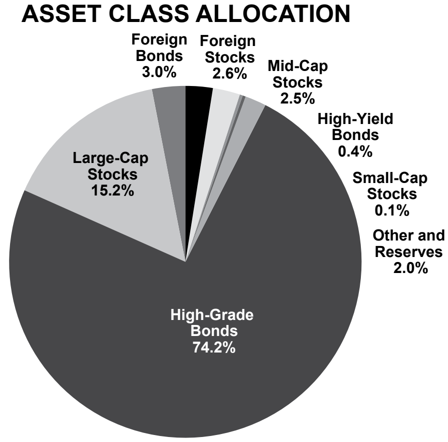

MUTUAL FUND ALLOCATION

Inflation Focused Bond Fund	40.5%
Short-Term Bond Fund	38.6
Equity Index 500 Fund	17.5
Real Assets Fund	0.9
International Growth & Income Fund	0.8
Overseas Stock Fund	0.7
International Stock Fund	0.7
Summit Cash Reserves Fund	0.3

EQUITY PORTFOLIO

Performance Comparison as of June 30, 2014

	6 MONTHS	12 MONTHS	ANNUALIZED SINCE INCEPTION
EQUITY PORTFOLIO	6.4%	24.5%	6.9%
Weighted Benchmark	6.7%	24.2%	7.0%

The Equity Portfolio had a positive return for the six and 12 months ended June 30, 2014. The Portfolio outperformed its weighted benchmark over the 12-month period primarily due to the outperformance of the Blue Chip Growth Fund and Value Fund, which was partly offset by the underperformance of the International Growth & Income Fund and Overseas Stock Fund. The Portfolio underperformed its weighted benchmark over the six-month period primarily due to the underperformance of the Blue Chip Growth Fund and Overseas Stock Fund.

Among U.S. equity holdings, the Portfolio has a large investment in the Equity Index 500 Fund, which is a passively managed index fund that generated solid absolute returns for the six and 12 months ended June 30, 2014. The Equity Index 500 Fund underperformed its benchmark index for the six- and 12-month periods, primarily due to the Fund's operating expenses and management fees that the index does not incur. For the 12-month period, the Blue Chip Growth Fund and Value Fund had positive returns. The Blue Chip Growth Fund outperformed primarily due to stock selection in the health care and information technology sectors, while the Value Fund outperformed primarily due to stock selection in the energy and information technology sectors.

For the six-month period, the Value Fund contributed to absolute and relative results, however, the Blue Chip Growth Fund underperformed its benchmark for the six-month period primarily due to stock selection and an overweight allocation to the consumer discretionary sector. Stock selection in the information technology sector also detracted from relative results.

The International Growth & Income Fund generated positive absolute returns for the 12-month period but underperformed its benchmark primarily due to stock selection in the industrials and business services sector. Over the six-month period, the International Growth & Income Fund generated a positive absolute return, but underperformed primarily due to stock selection in the industrials and business services sector. The Overseas Stock Fund generated positive absolute returns for the 12-month period but underperformed its benchmark primarily due to stock selection in the health care and financials sectors. Over the six-month period, the Overseas Stock Fund generated a positive absolute return, but stock selection in the health care and financials sectors detracted from relative results.

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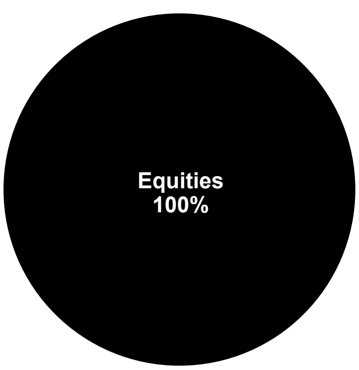

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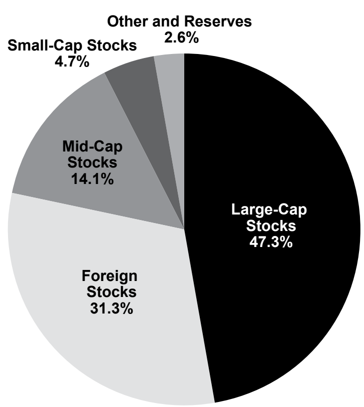

MUTUAL FUND ALLOCATION

Equity Index 500 Fund	30.7%
Blue Chip Growth Fund	12.8
Value Fund	11.4
International Growth & Income Fund	8.8
Overseas Stock Fund	8.1
International Stock Fund	7.6
Emerging Markets Stock Fund	5.1
Small-Cap Stock Fund	4.5
Real Assets Fund	4.1
Mid-Cap Value Fund	3.6
Mid-Cap Growth Fund	3.3

GLOBAL EQUITY MARKET INDEX PORTFOLIO

Performance Comparison as of June 30, 2014

	6 MONTHS	12 MONTHS	ANNUALIZED SINCE INCEPTION
GLOBAL EQUITY MARKET INDEX PORTFOLIO	6.4%	24.3%	7.7%
Weighted Benchmark	6.6%	24.5%	8.0%

The Global Equity Market Index Portfolio had solid absolute returns for the six and 12 months ended June 30, 2014. The Portfolio underperformed its benchmark for the six and 12-month periods, primarily due to the Portfolio's operating expenses and management fees that indexes do not incur.

The Total Equity Market Index Fund focuses on U.S. equities, which generated excellent returns over the last year, supported by low interest rates and generally slow-but-steady economic growth in developed markets, positive corporate earnings growth, and new monetary stimulus measures in the eurozone. Mid- and large-cap stocks narrowly outpaced small-caps over the last year. As measured by various Russell indexes, growth stocks outperformed value among large- and small-caps, while the opposite was true for mid-cap shares.

Over the last six months, U.S. equities produced solid returns, adding to last year's robust gains. Investors remained optimistic despite a sharp first-quarter economic contraction, the Federal Reserve's reduction of asset purchases, and geopolitical concerns. Mid- and large-cap stocks significantly outperformed small-cap shares in the last six months. As measured by various Russell indexes, value stocks outperformed growth across all market capitalizations, especially among mid-caps.

The International Equity Index Fund focuses on stocks in developed non-U.S. markets, which performed in line with large-cap U.S. shares over the last 12 months. European markets performed best as the eurozone emerged from recession and the European Central Bank reduced short-term interest rates in response to very low inflation. Stronger European currencies versus the U.S. dollar benefited returns in dollar terms. Developed Asian markets generally lagged European markets.

Over the past six months, stocks in developed non-U.S. markets produced good results but lagged large-cap U.S. shares, in part due to concerns in early 2014 about weakness in emerging markets. Developed European markets generally outperformed their counterparts in Asia due to the modest returns for the Japanese stock market.

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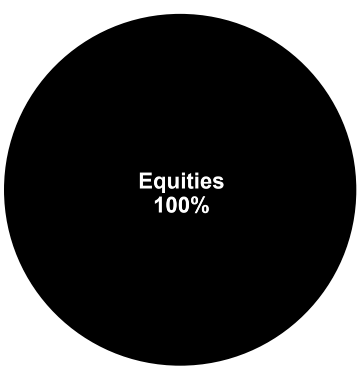

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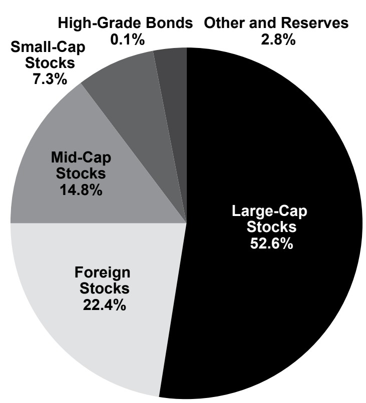

MUTUAL FUND ALLOCATION

Total Equity Market Index	77.6%
International Equity Index	22.4

BALANCED PORTFOLIO

Performance Comparison as of June 30, 2014

	6 MONTHS	12 MONTHS	ANNUALIZED SINCE INCEPTION
BALANCED PORTFOLIO	5.8%	17.5%	7.0%
Weighted Benchmark	6.0%	16.7%	6.6%

The Balanced Portfolio had a positive return for the six and 12 months ended June 30, 2014. The Portfolio outperformed its weighted benchmark over the 12-month period primarily due to the outperformance of the Blue Chip Growth Fund and Value Fund. The Portfolio underperformed its weighted benchmark for the six-month period primarily due to the underperformance the Blue Chip Growth Fund.

The Portfolio's fixed income holdings generated positive absolute and relative returns for the six and 12 months ended June 30, 2014. The New Income Fund outperformed its benchmark for the six and 12-month periods. Outperformance in both periods was driven by an underweight to U.S. Treasury securities in favor of out-of-benchmark allocations to high yield and leveraged loans and an overweight allocation to investment-grade corporate bonds.

Among U.S. equity holdings, the Portfolio has a large investment in the Equity Index 500 Fund, which is a passively managed index fund that generated solid absolute returns for the six and 12 months ended June 30, 2014. The Equity Index 500 Fund underperformed its benchmark index for the six- and 12-month periods, primarily due to the Fund's operating expenses and management fees that the index does not incur.

For the 12-month period, the Blue Chip Growth Fund and Value Fund had positive returns and outperformed their benchmarks. The Blue Chip Growth Fund outperformed primarily due to stock selection in the health care and information technology sectors, while the Value Fund outperformed its benchmark primarily due to stock selection in the energy and information technology sectors. For the six-month period, the Value Fund contributed to absolute and relative results, however, the Blue Chip Growth Fund underperformed its benchmark for the six-month period primarily due to stock selection and an overweight allocation to the consumer discretionary sector. Stock selection in the information technology sector also detracted from relative results.

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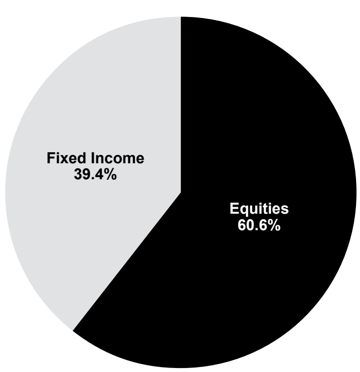

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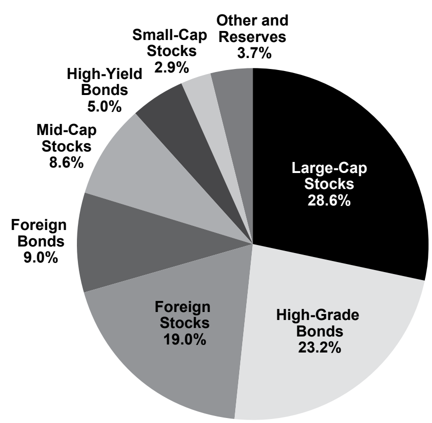


MUTUAL FUND ALLOCATION

New Income Fund	26.9%
Equity Index 500 Fund	18.5
Blue Chip Growth Fund	7.8
Value Fund	6.9
International Growth & Income Fund	5.4
Overseas Stock Fund	4.9
International Stock Fund	4.6
High Yield Fund	4.5
Emerging Markets Bond Fund	4.0
International Bond Fund	3.1
Emerging Markets Stock Fund	3.1
Small-Cap Stock Fund	2.7
Real Assets Fund	2.5
Mid-Cap Value Fund	2.2
Mid-Cap Growth Fund	2.0
Inflation Focused Bond Fund	0.5
Summit Cash Reserves Fund	0.4

BOND AND INCOME PORTFOLIO

Performance Comparison as of June 30, 2014

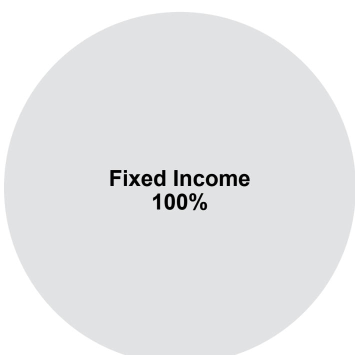
	6 MONTHS	12 MONTHS	ANNUALIZED SINCE INCEPTION
BOND AND INCOME PORTFOLIO	5.2%	8.9%	6.6%
Barclays US Aggregate Bond Index	3.9%	4.4%	5.0%

The Bond and Income Portfolio posted positive returns for the six and 12 months ended June 30, 2014, and outperformed its benchmark over both periods.

The Spectrum Income Fund invests in a diverse array of fixed income mutual funds and an income-oriented equity mutual fund. This allocation blends core investment-grade bonds that are included in the benchmark with out-of-benchmark securities from diversifying sectors, such as high yield bonds, non-U.S dollar-denominated bonds, emerging markets bonds, and dividend-paying stocks.

The Spectrum Income Fund posted a solid absolute gain for the six- and 12-month periods ended June 30, 2014, and outperformed its benchmark. Investments in diversifying sectors not represented in the benchmark, most notably dividend-paying stocks, high yield bonds, and emerging markets bonds, were the primary drivers of relative outperformance as these sectors surpassed the Barclays U.S. Aggregate Bond Index. Security selection within the underlying mutual funds was marginally positive for the six-month period, while an underweight allocation to long-term Treasury bonds detracted from relative results.

STYLE ALLOCATION



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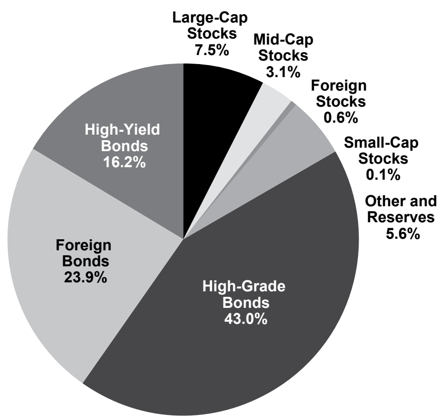


MUTUAL FUND ALLOCATION

Spectrum Income Fund	100%

INFLATION FOCUSED BOND PORTFOLIO

Performance Comparison as of June 30, 2014

	6 MONTHS	12 MONTHS	ANNUALIZED SINCE INCEPTION
INFLATION FOCUSED BOND PORTFOLIO	1.5%	1.6%	2.6%
Weighted Benchmark	2.0%	2.5%	2.7%

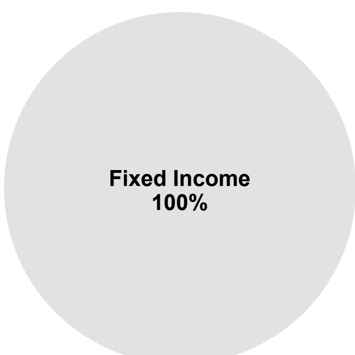
The Inflation Focused Bond Portfolio posted positive returns but underperformed its benchmark for the six and 12 months ended June 30, 2014.

The Inflation Focused Bond Fund normally invests 50% or more of its net assets in a diversified mix of short- and intermediate-term investment-grade inflation-linked securities, including Treasury inflation protected securities (TIPS). The Fund may also invest in corporate, government, mortgage-backed, and asset-backed securities. To the extent that inflation is believed not to be an imminent threat or the cost of inflation protection is deemed to be too expensive, the strategy may focus more on securities that are not indexed to inflation (within the Fund's investment program).

The Portfolio's underperformance for the past 12 months primarily resulted from the Fund's shorter duration, or measure of interest rate sensitivity, relative to the benchmark. The Fund's TIPS positions earned lower yields compared with the longer-duration TIPS held in the benchmark.

The Portfolio's underperformance for the past six months primarily resulted from the Fund's out-of-benchmark allocations to non-TIPS sectors such as investment-grade corporate bonds and asset-backed securities, as TIPS generally outperformed due to rising inflation expectations during the period.

STYLE ALLOCATION



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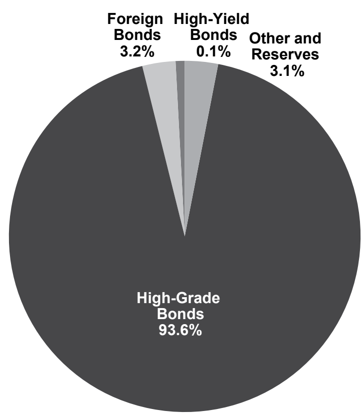

MUTUAL FUND ALLOCATION

Inflation Focused Bond Fund	100%

U.S. TREASURY MONEY MARKET PORTFOLIO

Performance Comparison as of June 30, 2014

	6 MONTHS	12 MONTHS	ANNUALIZED SINCE INCEPTION
U.S. TREASURY MONEY MARKET PORTFOLIO	0.0%	0.0%	0.0%
Citigroup 3 Month Treasury Bill	0.0%	0.0%	0.1%

In an extremely low interest rate environment, the U.S. Treasury Money Market Portfolio posted flat returns for the six and 12 months ended June 30, 2014. The Portfolio performed in line with its benchmark.

The Federal Reserve kept short-term interest rates extremely low over the past 12 months, which has generally hurt money market investments. However, since the beginning of January, the Federal Reserve has been reducing its monthly purchases of U.S. Treasury and agency mortgage-backed securities in $10 million increments, and recently announced that it will end them altogether in October 2014. This is viewed as a logical progression toward a more normalized monetary policy stance. Most economists believe that the Federal Reserve will begin to increase short-term interest rates in the middle of 2015.

In an effort to maintain a zero or positive net yield for the Portfolio, T. Rowe Price voluntarily waived a portion of the Program Fee it is entitled to receive from the Portfolio. For the 12-month period ended June 30, 2014, the total amount of the Program Fee waived was approximately $73,000. A fee waiver has the effect of increasing the Portfolio's net yield. Please see footnote 5 of the Notes to the Financial Statements on page 52 regarding the voluntary fee waiver arrangement.

STYLE ALLOCATION

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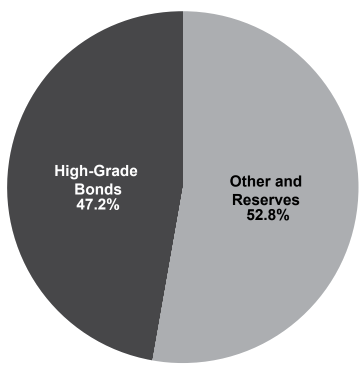
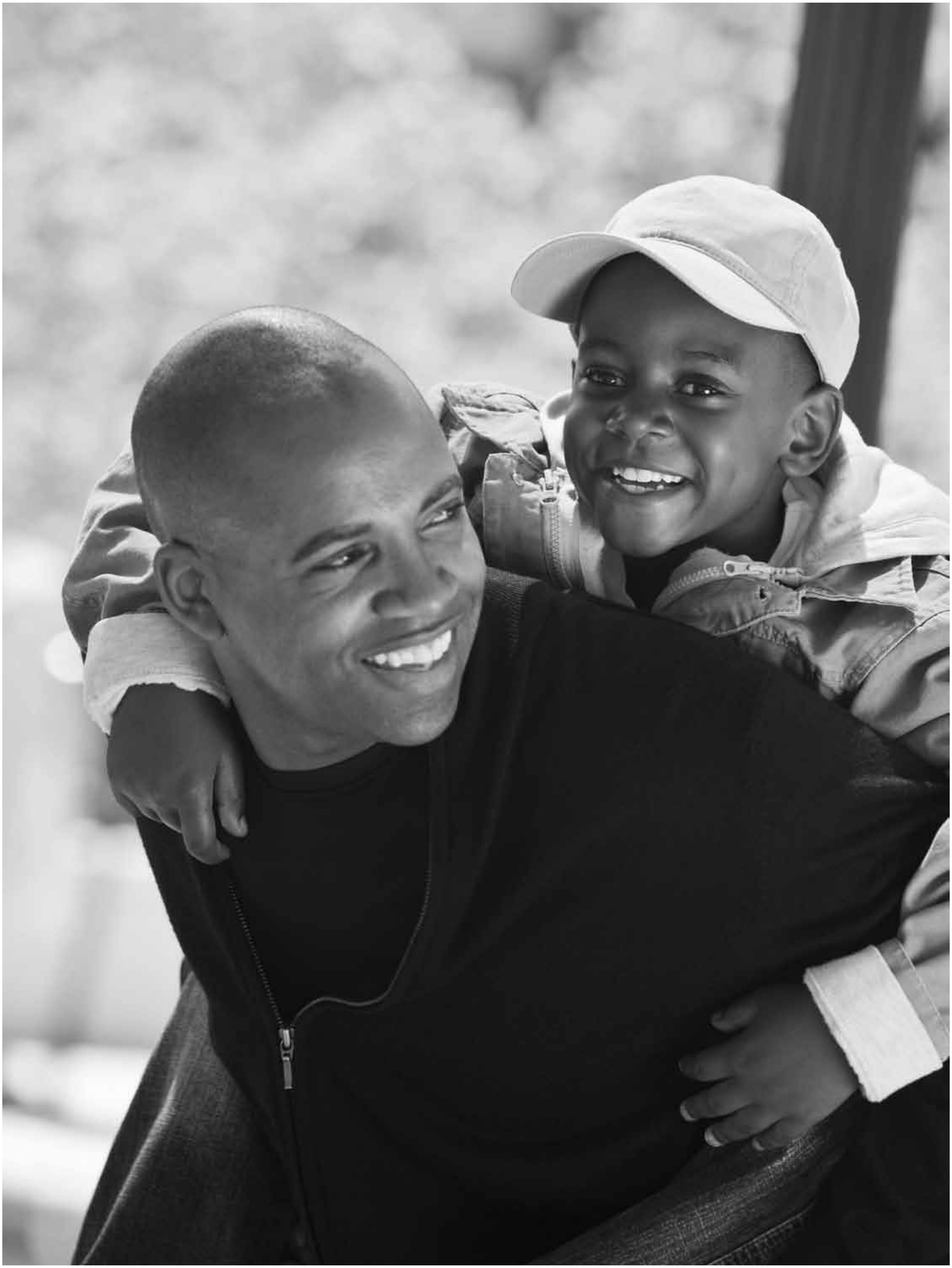


MUTUAL FUND ALLOCATION

U.S. Treasury Money Fund	100%



MARYLAND COLLEGE INVESTMENT PLAN

ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

STATEMENT OF FIDUCIARY NET POSITION

The Statement of Fiduciary Net Position presents the assets, liabilities, and net position of the College Investment Plan as of June 30, 2014. This statement, along with the College Investment Plan's Statement of Changes in Fiduciary Net Position, is prepared using the accrual basis of accounting. Under this method of accounting, revenues and assets are recognized when enrollment materials and contributions are received in good order, distributions from an account are recognized when paid, and expenses and liabilities are recognized when services are provided, regardless of when cash is exchanged.

We classify assets as current and noncurrent. Current assets consist primarily of investments, which comprise in excess of 99% of current assets. Net position consists primarily of contributions to accounts and investment earnings or losses, net of distributions from accounts.

Additions to net position resulted from 29,240 new accounts, $434 million in account holder contributions to portfolios, $152 million in exchanges and transfers, and $529 million in net investment income. Deductions from net position include $207 million in distributions to account holders, $152 million in exchanges and transfer from portfolios for the fiscal year, and $17 million in rollovers to other 529 plans. This resulted in an increase in net position of $739 million for the Plan.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Changes in net position as presented on the Statement of Changes in Fiduciary Net Position are based on the activity of the College Investment Plan. The purpose of this statement is to present account contributions, increases or decreases in the fair value of investments, and distributions from the Plan. Additions represent contributions to accounts in the College Investment Plan and investment income. Deductions represent distributions from accounts.

COLLEGE INVESTMENT PLAN FEES

The College Investment Plan charges fees to Account Holders, including fees of the underlying mutual funds and a program fee. For additional information, see footnote 5 of the Notes to the Financial Statements on page 52 and the Supplementary Information beginning on page 53.

Each investment portfolio indirectly bears its pro-rata share of the fees and expenses of the underlying mutual funds in which it invests. These fees are not charged directly to a portfolio, but are included in the net asset value of the mutual funds held by the College Investment Plan. The pro-rata share of the fees and expenses is calculated based on the amount that each portfolio invests in a mutual fund and the expense ratio (the ratio of expenses to average net assets) of that mutual fund.

Each portfolio is charged a program fee for administration and management of the College Investment Plan. T. Rowe Price Associates, Inc. (Program Manager) receives the program fee, which equals 0.20% per year of the assets of each investment portfolio. Payment of the program fee by a portfolio is already reflected in the portfolio's net asset value.

The College Investment Plan's aggregate program fees plus its pro-rata share of expenses from the underlying mutual funds may not exceed 0.87% of the College Investment Plan's average net assets in any year. If necessary to remain at the 0.87% limit, the Program Manager will reduce the rate of the program fee charged to each portfolio. Program fees reduced in any year will be repaid by the College Investment Plan to the Program Manager in the following years if repayment would not cause the College Investment Plan's effective expense ratio to exceed the 0.87% limit.

PORTFOLIO FINANCIAL STATEMENTS

The Statement of Net Position, the Statement of Operations and Changes in Net Position and the Financial Highlights for each portfolio are included in this Annual Report as supplementary statements. These statements contain certain information for each of the portfolios within the College Investment Plan as of June 30, 2014.

The Statement of Net Position details the investments and net position of each portfolio. This statement also contains information regarding the investments in the underlying mutual funds for each of the portfolios. Net position consists of account contributions and investment earnings and losses, net of distributions from accounts.

The Statements of Operations and Changes in Net Position report the net investment income and the realized and unrealized gains and losses for each portfolio. This statement also includes information regarding account contributions and distributions from accounts for each portfolio. An account holder's interest in a portfolio is represented as a number of units.

The Financial Highlights statement includes net asset value information, total return, and various ratios for each individual portfolio.

BUDGETARY CONTROL AND FINANCIAL OVERSIGHT

The College Investment Plan is administered by the College Savings Plans of Maryland. The Board, in accordance with the Enabling Legislation for the College Investment Plan, prepares and submits an annual budget to the Maryland Governor and the General Assembly for informational purposes only. In accordance with its fiduciary obligations, each quarter, the Board reviews a comparison of actual and budgeted expenses in connection with its administration of the College Savings Plans of Maryland.

MARYLAND COLLEGE INVESTMENT PLAN

Statement of Fiduciary Net Position
As of June 30, 2014
(amounts in thousands)

ASSETS	
Current assets:	
Investments, at fair value	$3,947,275
LIABILITIES	
Current liabilities:	
Other liabilities	637
NET POSITION	
Held in trust for individuals and organizations	$3,946,638

See accompanying Notes to Financial Statements.

MARYLAND COLLEGE INVESTMENT PLAN

Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2014

(amounts in thousands)

ADDITIONS	
Contributions:	
Account holder contributions to portfolios	$ 433,720
Exchanges and transfers	151,689
Account holder contributions	585,409
Investment Income:	
Net increase in fair value of investments	478,053
Investment income	51,510
Net investment income	529,563
Total Additions	1,114,972
DEDUCTIONS	
Distributions:	
Payments in accordance with trust agreements	223,934
Exchanges and transfers	151,689
Account holder distributions	375,623
Change in net position	739,349
Net position, beginning of year	3,207,289
Net position, end of year	$ 3,946,638

See accompanying Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2014

1. ORGANIZATION AND PURPOSE

The Maryland College Investment Plan (Plan) was established under the Maryland College Investment Trust (Trust) to allow investors to save for qualified higher education expenses on a tax-advantaged basis in accordance with the provisions of Section 529 of the Internal Revenue Code. The Plan is a private purpose trust fund, used to account for resources legally held in trust for individual investors. The College Savings Plans of Maryland Board (Board) serves as trustee for the Trust, and T. Rowe Price Associates, Inc. (Price Associates or the Program Manager), serves as the program manager. The Plan is marketed directly to investors without sales charges and offers eight enrollment-based and six fixed portfolios (individually, a Portfolio and collectively, the Portfolios). Each Portfolio invests in predetermined underlying equity, fixed income, fund-of-funds, and/or money market mutual funds (Underlying Mutual Funds) managed by Price Associates, and/or its affiliated investment advisors. Each Underlying Mutual Fund is registered with the Securities and Exchange Commission under the Investment Company Act of 1940.

The Maryland General Assembly passed House Bill 11, which created the Plan, during the 2000 legislative session. The Plan is a separate program, authorized by the Maryland Code Annotated Education Article, Section 18, Subtitle 19A (Enabling Legislation). The Board directs the Trust and consists of 10 members, five of whom are ex-officio members. The ex-officio members are the State Comptroller, the State Treasurer, the State Secretary of Higher Education, the State Superintendent of Schools, and the Chancellor of the University System of Maryland. The five remaining members are public members appointed by the Governor.

The Enabling Legislation allows that all contributions made by an account holder to the Plan may be deducted from Maryland state income in an amount up to $2,500 for each beneficiary annually. Effective January 1, 2002, earnings on contributions are tax-free for federal and state purposes when used toward eligible qualified higher education expenses. The federal exemption was made permanent by the Pension Protection Act of 2006.

All administrative costs for the College Savings Plans of Maryland, including the Plan, are accounted for in the financial statements of the Maryland Prepaid College Trust.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The accompanying Plan financial statements were prepared in accordance with accounting principles generally accepted in the United States of America, which require the use of estimates. The Program Manager believes that estimates and valuations of the Underlying Mutual Funds are appropriate; however, actual results may differ from those estimates, and the valuations reflected in the accompanying financial statements may differ from the value ultimately received upon sale of the Underlying Mutual Funds. The financial statements of the Plan use an economic resources measurement focus and the accrual basis of accounting, whereby revenues are recorded when earned and expenses are recorded when incurred, regardless of the timing of cash flows.

Units

Each investor's beneficial interest in the net assets of a Portfolio is represented by units, an unlimited number of which are authorized. Contributions to, distributions from, and exchanges between Portfolios of the Plan are recorded upon receipt of participant instructions in good order, based on the next determined net asset value per unit. Participant contributions and redemptions, as disclosed in the Statement of Operations and Changes in Net Position, include new contributions made to the Plan as well as exchanges and transfers between Portfolios. For the year ended June 30, 2014, new contributions to the Plan were approximately $434 million. For all Portfolios other than the U.S. Treasury Money Market Portfolio, net investment income and net realized gains accumulate in the net asset value of the Portfolio and are not separately distributed to participants. The U.S. Treasury Money Market Portfolio declares a daily dividend of net investment income, which is automatically reinvested in the participant's account monthly.

Investment Income and Transactions

Income and capital gain distributions from the Underlying Mutual Funds are recorded on the ex-dividend date, which is the date that an investor is required to be a shareholder of record in order to receive the dividend. Investment transactions in shares of the Underlying Mutual Funds are accounted for on the trade date. Realized gains and losses are reported on the identified cost basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncement

In June 2012, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* – an amendment of GASB Statement No. 27 (GASB 68), effective for the fiscal years beginning after June 15, 2014. The Plan is still in process of determining the effect of implementing GASB 68.

3. INVESTMENTS

The Maryland College Investment Plan's Investment Policy, adopted by the Board, specifies the number of Portfolios and the general character and composition of each Portfolio. Based on these guidelines, detailed asset allocations have been developed and Underlying Mutual Funds have been selected for each Portfolio. The Plan is not restricted in its investments by legal or contractual provisions. Investments are stated at fair value. The Plan invests solely in mutual funds, which are valued at their closing net asset value per share on the date of valuation. Changes in unrealized gain/loss resulting from changes in the fair values of investments are recognized daily in each Portfolio's net asset value per unit and, for the fiscal year, are reflected in the Plan's accompanying Statement of Changes in Fiduciary Net Position.

The Plan's investments in mutual funds expose it to certain risks, including market risk in the form of equity price risk—that is, the potential future loss of value that would result from a decline in the fair values of the Underlying Mutual Funds. Each Underlying Mutual Fund and its underlying net assets are also subject to market risk that may arise from changes in equity prices, credit ratings, foreign currency exchange rates, and interest rates. The Plan's investments in mutual fund shares are not subject to classification by credit risk.

Each Underlying Mutual Fund that invests in bonds is subject to certain risks, including interest rate risk, which is the decline in bond prices that usually accompanies a rise in interest rates. The weighted average maturity and weighted average effective duration of the underlying net assets of applicable Underlying Mutual Funds were as follows on June 30, 2014 (in years):

	Weighted Average Maturity	Weighted Average Duration
Domestic bond funds		
T. Rowe Price Short-Term Bond Fund	2.38	1.85
Blended asset funds		
T. Rowe Price Spectrum Income Fund	7.50	5.16

3. INVESTMENTS (CONTINUED)

On June 30, 2014, the Plan held the following aggregate investments in mutual funds (amounts in thousands):

	Aggregate Cost	Unrealized Gain/(Loss)	Aggregate Fair Value
Domestic stock funds			
T. Rowe Price Blue Chip Growth Fund	$ 121,691	$ 125,546	$ 247,237
T. Rowe Price Equity Index 500 Fund	474,916	351,904	826,820
T. Rowe Price Mid-Cap Growth Fund	36,134	26,479	62,613
T. Rowe Price Mid-Cap Value Fund	42,094	26,643	68,737
T. Rowe Price Small-Cap Stock Fund	49,224	33,087	82,311
T. Rowe Price Total Equity Market Index Fund	61,679	39,248	100,927
T. Rowe Price Value Fund	125,317	93,177	218,494
Total domestic stock funds	911,055	696,084	1,607,139
Global stock fund			
T. Rowe Price Real Assets Fund	79,782	10,311	90,093
International stock funds			
T. Rowe Price Emerging Markets Stock Fund	78,126	16,522	94,648
T. Rowe Price Int'l. Equity Index Fund	26,648	2,409	29,057
T. Rowe Price Int'l. Growth & Income Fund	135,975	40,745	176,720
T. Rowe Price International Stock Fund	111,315	40,735	152,050
T. Rowe Price Overseas Stock Fund	129,502	32,540	162,042
Total international stock funds	481,566	132,951	614,517
Domestic bond funds			
T. Rowe Price High Yield Fund	11,658	382	12,040
T. Rowe Price Inflation Focused Bond Fund	390,892	1,655	392,547
T. Rowe Price New Income Fund	72,131	35	72,166
T. Rowe Price Short-Term Bond Fund	306,481	1,056	307,537
Total domestic bond funds	781,162	3,128	784,290
International bond funds			
T. Rowe Price Emerging Markets Bond Fun	10,666	60	10,726
T. Rowe Price Int'l. Bond Fund	8,207	215	8,422
Total international bond funds	18,873	275	19,148
Blended asset fund			
T. Rowe Price Spectrum Income Fund	725,110	54,989	780,099
Money market funds			
T. Rowe Price U.S. Summit Cash Reserves Fund	7,832	0	7,832
T. Rowe Price U.S. Treasury Money Fund	44,157	0	44,157
Total money market funds	51,989	0	51,989
Total investments in Mutual Funds	$3,049,537	$ 897,738	$3,947,275

4. TAX-EXEMPT STATUS

The Plan is exempt from federal taxation in accordance with Section 529 of the Internal Revenue Code and is exempt from Maryland state and local taxation in accordance with the Enabling Legislation. Accordingly, the Plan makes no provision for income taxes.

5. RELATED PARTIES

Price Associates is a wholly owned subsidiary of T. Rowe Price Group, Inc. Price Associates and its wholly owned subsidiaries provide investment management, recordkeeping and account servicing, administrative, distribution and marketing, custodial, and certain other services to the Plan. Price Associates and its wholly owned subsidiaries also serve as investment manager for each of the Underlying Mutual Funds, and certain officers and directors of Price Associates and its subsidiaries are also officers and directors of the Underlying Mutual Funds.

Each Portfolio pays an all-inclusive program fee to Price Associates, which is accrued daily and paid monthly. The program fee is 0.20% of each Portfolio's average daily net assets. At June 30, 2014, program fees payable by the Portfolios totaled $637,000.

Each Portfolio indirectly bears its pro-rata share of the fees and expenses of the Underlying Mutual Funds in which it invests (indirect expenses). The Portfolios pay no investment management fees; however, Price Associates receives asset-based management fees from the Underlying Mutual Funds in which the Portfolios invest. The costs associated with recordkeeping and related account servicing for the Portfolios are borne by each Underlying Mutual Fund in proportion to the average daily value of its shares owned by the Portfolios. During the year ended June 30, 2014, the Underlying Mutual Funds incurred $6,363,000 related to services provided to Plan accounts. The impact of Portfolio-related costs borne by the Underlying Mutual Funds is reflected in the valuations of the Underlying Mutual Funds, which, in turn, affect the net asset values of the Portfolios.

Price Associates has agreed to limit the ratio of the Plan's direct and indirect expenses to average net assets (Plan's effective expense ratio) to 0.87% per year (expense limit). For purposes of the limitation, direct expenses are the program fees charged to the Portfolios and indirect expenses reflect the weighted average expense ratios of the Underlying Mutual Funds in which the Portfolios invest. Expenses in excess of the limit are borne by Price Associates (expense waivers) in the form of reduced program fees paid by each Portfolio to Price Associates. Expense waivers are allocated to the Portfolios on the basis of relative average net assets and are subject to later repayment by the Portfolios to the extent that repayment would not cause the Plan's effective expense ratio to exceed the expense limit. The expense limit has no effect on the computation of the Program Manager Contribution. During the fiscal year ended June 30, 2014, there were no waivers or repayments of program fees pursuant to this limit and there were no amounts subject to future repayment by the Portfolios at year end.

Price Associates has agreed to remit a portion of the program fees earned to the Board, as trustee, to support certain administrative and marketing efforts provided by the Board to the Plan (Program Manager Contribution). Under this agreement, the Board receives an annual amount equal to the greater of: (1) $636,000 or (2) 0.04% of the average monthly net assets of the Plan (average Plan assets) when such assets are between $750 million and $1 billion and an additional 0.06% (for a total of 0.10%) of average Plan assets greater than $1 billion. When any part of the program fee is waived for the Money Market Portfolio, the assets of this Portfolio will not be included in the calculation of the Program Manager Contribution. During the year ended June 30, 2014, the Program Manager is obligated to pay the Board $2,930,000 in accordance with this agreement.

Price Associates has further agreed to limit the direct and indirect expenses of the U.S. Treasury Money Market Portfolio (the Money Market Portfolio). Price Associates will waive all or a portion of the program fees charged to the Money Market Portfolio to the extent payment of the program fee would result in a negative return for the Money Market Portfolio. Pursuant to this arrangement, approximately $73,000 of the Money Market Portfolio's program fee, which represents 0.19% of the average net assets, was waived during the year ended June 30, 2014. Any program fee amounts waived under this arrangement will not be reimbursed to Price Associates by the Money Market Portfolio or the Plan.

The staff of the Board supports Price Associates' management of the Plan in accordance with applicable laws and regulations, Board policy, and the Board's contract with Price Associates. Employees of the Board review and obtain Board approval of all Plan disclosure documents, review and approve all marketing initiatives in accordance with the approved marketing plan, and monitor the implementation and employee training of operational procedures. The Trust coordinates several contracts between the Board and its service providers for services to both the Trust and the Plan.

MARYLAND COLLEGE INVESTMENT PLAN As of June 30, 2014

Dollars in thousands, except net asset values per unit

Statement of Net Position	PORTFOLIO 2033 Shares	PORTFOLIO 2033 Value	PORTFOLIO 2030 Shares	PORTFOLIO 2030 Value	PORTFOLIO 2027 Shares	PORTFOLIO 2027 Value
Investments at Value						
T. Rowe Price Blue Chip Growth Fund	31,594	$ 2,103	210,086	$ 13,981	509,549	$ 33,910
T. Rowe Price Emerging Markets Bond Fund	0	0	0	0	0	0
T. Rowe Price Emerging Markets Stock Fund	24,364	842	160,675	5,556	392,852	13,585
T. Rowe Price Equity Index 500 Fund	94,962	5,017	631,490	33,361	1,532,112	80,941
T. Rowe Price High Yield Fund	0	0	0	0	0	0
T. Rowe Price Inflation Focused Bond Fund	0	0	0	0	258,206	1,325
T. Rowe Price International Bond Fund	0	0	0	0	0	0
T. Rowe Price International Equity Index Fund	0	0	0	0	0	0
T. Rowe Price International Growth & Income Fund	88,138	1,450	586,867	9,654	1,407,678	23,156
T. Rowe Price International Stock Fund	71,974	1,241	479,479	8,271	1,159,066	19,994
T. Rowe Price Mid-Cap Growth Fund	7,028	544	46,811	3,621	114,972	8,894
T. Rowe Price Mid-Cap Value Fund	18,078	596	120,169	3,961	292,972	9,656
T. Rowe Price New Income Fund	0	0	0	0	0	0
T. Rowe Price Overseas Stock Fund	125,470	1,324	834,284	8,802	2,018,645	21,297
T. Rowe Price Real Assets Fund	54,446	669	362,723	4,458	884,721	10,873
T. Rowe Price Short-Term Bond Fund	0	0	0	0	0	0
T. Rowe Price Small-Cap Stock Fund	16,038	745	106,819	4,963	257,489	11,963
T. Rowe Price Spectrum Income Fund	0	0	0	0	1,925,656	25,419
T. Rowe Price Summit Cash Reserves Fund	0	0	0	0	634,871	635
T. Rowe Price Total Equity Market Index Fund	0	0	0	0	0	0
T. Rowe Price U.S. Treasury Money Fund	0	0	0	0	0	0
T. Rowe Price Value Fund	50,740	1,871	337,493	12,447	814,957	30,056
Total Investments at Value		16,402		109,075		291,704
Other assets less liabilities		(2)		(17)		(47)
NET POSITION		**$16,400**		**$109,058**		**$291,657**
Composition of Net Position:						
Paid-in capital		$ 14,694		$ 85,205		$194,396
Retained earnings		1,706		23,853		97,261
Number of Units Outstanding		1,199		5,972		16,726
NET ASSET VALUE PER UNIT [1]		**$ 13.68**		**$ 18.26**		**$ 17.44**
Investments at cost		$14,841		$ 87,780		$207,005

[1] The net asset value per unit (NAV) is calculated at the close of the New York Stock Exchange on each day the exchange is open for business. Each Portfolio's NAV is computed by dividing the value of its net position by the number of Portfolio units outstanding. A Portfolio's investments in the Underlying Mutual Funds are valued at each Underlying Mutual Fund's closing net asset value per share on the date of valuation.

PORTFOLIO 2024		PORTFOLIO 2021		PORTFOLIO 2018		PORTFOLIO 2015	
Shares	**Value**	**Shares**	**Value**	**Shares**	**Value**	**Shares**	**Value**
643,944	$ 42,854	663,926	$ 44,184	433,672	$ 28,861	0	$ 0
0	0	0	0	0	0	0	0
502,510	17,377	517,986	17,912	204,331	7,066	0	0
1,941,134	102,550	2,004,531	105,899	2,499,753	132,062	2,098,813	110,880
0	0	0	0	0	0	0	0
386,495	1,983	493,965	2,534	9,440,641	48,431	30,296,093	155,419
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
1,791,200	29,465	1,859,546	30,590	1,150,602	18,927	273,740	4,503
1,470,250	25,362	1,510,062	26,049	952,061	16,423	240,687	4,152
146,516	11,335	148,849	11,515	71,992	5,569	0	0
372,819	12,288	384,602	12,676	194,204	6,401	0	0
0	0	0	0	0	0	0	0
2,575,275	27,169	2,653,836	27,998	1,632,434	17,222	394,878	4,166
1,119,609	13,760	1,153,032	14,208	936,615	11,511	447,785	5,503
0	0	0	0	7,591,413	36,439	28,237,224	135,539
327,866	15,233	337,806	15,695	105,537	4,903	0	0
7,970,975	105,217	17,476,082	230,684	20,466,596	270,159	5,190,967	68,521
1,057,881	1,058	1,495,395	1,495	1,301,009	1,301	1,259,149	1,259
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
1,031,108	38,027	1,062,145	39,172	666,231	24,571	0	0
	443,678		580,611		629,846		489,942
	(73)		(95)		(103)		(80)
	$443,605		**$580,516**		**$629,743**		**$489,862**
	$292,278		$369,506		$400,734		$318,771
	151,327		211,010		229,009		171,091
	19,845		24,508		27,154		22,466
	$ 22.35		**$ 23.69**		**$ 23.19**		**$ 21.80**
	$346,851		$429,687		$488,819		$424,766

The accompanying notes are an integral part of these financial statements.

SUPPLEMENTARY INFORMATION

MARYLAND COLLEGE INVESTMENT PLAN As of June 30, 2014

Dollars in thousands, except net asset values per unit

Statement of Net Position	PORTFOLIO FOR COLLEGE		EQUITY PORTFOLIO		GLOBAL EQUITY MARKET INDEX PORTFOLIO	
	Shares	Value	Shares	Value	Shares	Value
Investments at Value						
T. Rowe Price Blue Chip Growth Fund	0	$ 0	910,517	$ 60,595	0	$ 0
T. Rowe Price Emerging Markets Bond Fund	0	0	0	0	0	0
T. Rowe Price Emerging Markets Stock Fund	0	0	696,869	24,098	0	0
T. Rowe Price Equity Index 500 Fund	1,163,927	61,490	2,744,081	144,970	0	0
T. Rowe Price High Yield Fund	0	0	0	0	0	0
T. Rowe Price Inflation Focused Bond Fund	27,685,925	142,029	0	0	0	0
T. Rowe Price International Bond Fund	0	0	0	0	0	0
T. Rowe Price International Equity Index Fund	0	0	0	0	2,050,558	29,057
T. Rowe Price International Growth & Income Fund	170,070	2,798	2,543,641	41,843	0	0
T. Rowe Price International Stock Fund	145,626	2,512	2,072,272	35,747	0	0
T. Rowe Price Mid-Cap Growth Fund	0	0	202,827	15,690	0	0
T. Rowe Price Mid-Cap Value Fund	0	0	521,437	17,186	0	0
T. Rowe Price New Income Fund	0	0	0	0	0	0
T. Rowe Price Overseas Stock Fund	249,230	2,630	3,619,218	38,183	0	0
T. Rowe Price Real Assets Fund	243,766	2,996	1,574,751	19,354	0	0
T. Rowe Price Short-Term Bond Fund	28,241,564	135,559	0	0	0	0
T. Rowe Price Small-Cap Stock Fund	0	0	461,824	21,456	0	0
T. Rowe Price Spectrum Income Fund	0	0	0	0	0	0
T. Rowe Price Summit Cash Reserves Fund	905,949	906	0	0	0	0
T. Rowe Price Total Equity Market Index Fund	0	0	0	0	4,455,954	100,927
T. Rowe Price U.S. Treasury Money Fund	0	0	0	0	0	0
T. Rowe Price Value Fund	0	0	1,462,662	53,943	0	0
Total Investments at Value		350,920		473,065		129,984
Other assets less liabilities		(58)		(77)		(21)
NET POSITION		**$350,862**		**$472,988**		**$129,963**
Composition of Net Position:						
Paid-in capital		$267,446		$245,839		$ 84,788
Retained earnings		83,416		227,149		45,175
Number of Units Outstanding		20,644		18,604		7,196
NET ASSET VALUE PER UNIT [1]		**$ 17.00**		**$ 25.42**		**$ 18.06**
Investments at cost		$316,054		$289,703		$ 88,327

[1] The net asset value per unit (NAV) is calculated at the close of the New York Stock Exchange on each day the exchange is open for business. Each Portfolio's NAV is computed by dividing the value of its net position by the number of Portfolio units outstanding. A Portfolio's investments in the Underlying Mutual Funds are valued at each Underlying Mutual Fund's closing net asset value per share on the date of valuation.

BALANCED PORTFOLIO		BOND AND INCOME PORTFOLIO		INFLATION FOCUSED BOND PORTFOLIO		U.S. TREASURY MONEY MARKET PORTFOLIO		TOTAL	
Shares	**Value**	**Shares**	**Value**	**Shares**	**Value**	**Shares**	**Value**	**Shares**	**Value**
311,781	$ 20,749	0	$ 0	0	$ 0	0	$ 0	3,715,069	$ 247,237
810,699	10,726	0	0	0	0	0	0	810,699	10,726
237,477	8,212	0	0	0	0	0	0	2,737,064	94,648
939,802	49,650	0	0	0	0	0	0	15,650,605	826,820
1,642,621	12,040	0	0	0	0	0	0	1,642,621	12,040
236,553	1,214	0	0	7,721,622	39,612	0	0	76,519,500	392,547
850,737	8,422	0	0	0	0	0	0	850,737	8,422
0	0	0	0	0	0	0	0	2,050,558	29,057
871,360	14,334	0	0	0	0	0	0	10,742,842	176,720
712,970	12,299	0	0	0	0	0	0	8,814,447	152,050
70,388	5,445	0	0	0	0	0	0	809,383	62,613
181,227	5,973	0	0	0	0	0	0	2,085,508	68,737
7,540,920	72,166	0	0	0	0	0	0	7,540,920	72,166
1,255,984	13,251	0	0	0	0	0	0	15,359,254	162,042
550,107	6,761	0	0	0	0	0	0	7,327,555	90,093
0	0	0	0	0	0	0	0	64,070,201	307,537
158,267	7,353	0	0	0	0	0	0	1,771,646	82,311
0	0	6,068,103	80,099	0	0	0	0	59,098,379	780,099
1,178,087	1,178	0	0	0	0	0	0	7,832,341	7,832
0	0	0	0	0	0	0	0	4,455,954	100,927
0	0	0	0	0	0	44,157,417	44,157	44,157,417	44,157
499,093	18,407	0	0	0	0	0	0	5,924,429	218,494
	268,180		80,099		39,612		44,157		3,947,275
	(44)		(13)		(7)		0		(637)
	$268,136		**$80,086**		**$39,605**		**$44,157**		**$3,946,638**
	$153,056		$48,554		$32,421		$44,157		$2,551,845
	115,080		31,532		7,184		0		1,394,793
	10,442		3,257		3,006		44,157		225,176
	$ 25.68		**$ 24.59**		**$ 13.17**		**$ 1.00**		
	$201,469		$70,411		$39,667		$44,157		$3,049,537

The accompanying notes are an integral part of these financial statements.

MARYLAND COLLEGE INVESTMENT PLAN For the Fiscal Year Ended June 30, 2014

Amount in thousands

Statement of Operations and Changes in Net Position	PORTFOLIO 2033	PORTFOLIO 2030	PORTFOLIO 2027	PORTFOLIO 2024	PORTFOLIO 2021	PORTFOLIO 2018
Operations						
Net investment income						
Income distributions from Underlying Mutual Funds	$ 94	$ 974	$ 3,337	$ 6,539	$ 10,555	$ 12,571
Program management fee expense	17	162	491	772	1,031	1,138
Expenses waived by program manager	0	0	0	0	0	0
Net investment income	77	812	2,846	5,767	9,524	11,433
Net realized and unrealized gain (loss)						
Net realized gain (loss)						
Sales of Underlying Mutual Fund shares	(8)	(38)	1,447	13,804	9,960	16,373
Capital gain distributions from Underlying Mutual Funds	73	891	2,842	4,617	6,356	5,977
Net realized gain (loss)	65	853	4,289	18,421	16,316	22,350
Change in unrealized gain (loss)	1,507	15,104	43,216	48,050	60,477	47,150
Net realized and unrealized gain (loss)	1,572	15,957	47,505	66,471	76,793	69,500
Increase (decrease) in net position from investments	1,649	16,769	50,351	72,238	86,317	80,933
Unit Transactions – see Unit Information below						
Units issued						
Account Holder contributions	8,624	38,099	43,701	48,418	53,247	52,754
Account Holder transfers from other portfolios	3,825	3,933	6,663	10,239	13,681	15,978
Units redeemed						
Account Holder distributions	(163)	(1,151)	(2,426)	(3,886)	(6,385)	(8,323)
Account Holder transfers to other portfolios	(241)	(2,354)	(4,407)	(7,975)	(11,864)	(17,115)
Increase (decrease) in net position from unit transactions	12,045	38,527	43,531	46,796	48,679	43,294
NET POSITION						
Increase (decrease) during period	13,694	55,296	93,882	119,034	134,996	124,227
Beginning of period	2,706	53,762	197,775	324,571	445,520	505,516
End of period	**$16,400**	**$109,058**	**$291,657**	**$443,605**	**$580,516**	**$629,743**
Unit information						
Units outstanding, beginning of period	246	3,665	14,009	17,581	22,299	25,171
Units issued						
Account Holder contributions and transfers from other portfolios	986	2,515	3,145	2,840	3,040	3,155
Units redeemed						
Account Holder distributions and transfers to other portfolios	(33)	(208)	(428)	(576)	(831)	(1,172)
Units outstanding, end of period	1,199	5,972	16,726	19,845	24,508	27,154

PORTFOLIO 2015	PORTFOLIO FOR COLLEGE	EQUITY PORTFOLIO	GLOBAL EQUITY MARKET INDEX PORTFOLIO	BALANCED PORTFOLIO	BOND AND INCOME PORTFOLIO	INFLATION FOCUSED BOND PORTFOLIO	U.S. TREASURY MONEY MARKET PORTFOLIO	TOTAL
$ 6,860	$ 3,400	$ 5,152	$ 1,491	$ 4,942	$ 2,650	$ 0	$ 4	$ 58,569
932	725	850	215	484	152	86	77	7,132
0	0	0	0	0	0	0	(73)	(73)
5,928	2,675	4,302	1,276	4,458	2,498	(86)	0	51,510
20,556	7,535	6,525	104	9,604	(122)	(187)	0	85,553
1,404	341	4,936	23	2,198	1,041	102	0	30,801
21,960	7,876	11,461	127	11,802	919	(85)	0	116,354
12,439	10,830	75,598	21,196	22,221	3,068	843	0	361,699
34,399	18,706	87,059	21,323	34,023	3,987	758	0	478,053
40,327	21,381	91,361	22,599	38,481	6,485	672	0	529,563
39,700	38,814	39,540	19,933	28,488	9,524	4,813	8,065	433,720
11,741	17,202	14,619	11,140	13,813	5,230	3,193	20,432	151,689
(25,339)	(107,144)	(20,368)	(3,321)	(15,623)	(9,432)	(9,760)	(10,613)	(223,934)
(21,471)	(22,525)	(21,500)	(4,741)	(13,355)	(9,577)	(9,692)	(4,872)	(151,689)
4,631	(73,653)	12,291	23,011	13,323	(4,255)	(11,446)	13,012	209,786
44,958	(52,272)	103,652	45,610	51,804	2,230	(10,774)	13,012	739,349
444,904	403,134	369,336	84,353	216,332	77,856	50,379	31,145	3,207,289
$489,862	**$350,862**	**$472,988**	**$129,963**	**$268,136**	**$80,086**	**$39,605**	**$44,157**	**$3,946,638**
22,252	25,138	18,086	5,804	9,894	3,446	3,886	31,145	
2,454	3,393	2,332	1,886	1,768	629	614	28,497	
(2,240)	(7,887)	(1,814)	(494)	(1,220)	(818)	(1,494)	(15,485)	
22,466	20,644	18,604	7,196	10,442	3,257	3,006	44,157	

The accompanying notes are an integral part of these financial statements.

SUPPLEMENTARY INFORMATION

MARYLAND COLLEGE INVESTMENT PLAN For the Fiscal Year Ended June 30, 2014

For a unit outstanding throughout the period

Financial Highlights	PORTFOLIO 2033	PORTFOLIO 2030	PORTFOLIO 2027	PORTFOLIO 2024	PORTFOLIO 2021	PORTFOLIO 2018
Net Asset Value [1]						
Beginning of period	$10.99	$14.67	$14.12	$18.46	$19.98	$ 20.08
Investment activities [2]						
Net investment income (loss) [3]	0.11	0.17	0.19	0.31	0.41	0.44
Net realized and unrealized gain (loss)	2.58	3.42	3.13	3.58	3.30	2.67
Total from investment activities	2.69	3.59	3.32	3.89	3.71	3.11
End of period	**$13.68**	**$18.26**	**$17.44**	**$22.35**	**$23.69**	**$23.19**
RATIOS [4]						
Total Return	**24.48%**	**24.47%**	**23.51 %**	**21.07 %**	**18.57 %**	**15.49 %**
Ratio of expenses to average net assets	0.20 %	0.20 %	0.20 %	0.20 %	0.20 %	0.20 %
Ratio of net investment income (loss) to average net assets	0.89 %	1.00 %	1.16 %	1.49 %	1.85 %	2.01 %
Portfolio turnover rate	5.1 %	8.0 %	12.4 %	12.7 %	13.1 %	18.4 %
SUPPLEMENTAL INFORMATION						
Weighted-average expense ratio of the Underlying Mutual Funds [5]	0.67 %	0.67 %	0.67 %	0.67 %	0.67 %	0.61 %
Effective expense ratio	0.87 %	0.87 %	0.87 %	0.87 %	0.87 %	0.81 %
Net assets, end of period (in millions)	$ 16.4	$109.1	$291.7	$443.6	$580.5	$629.7

[1] The net asset value per unit (NAV) is calculated at the close of the New York Stock Exchange on each day the exchange is open for business. Each Portfolio's NAV is computed by dividing the value of its net position by the number of Portfolio units outstanding. A Portfolio's investments in the Underlying Mutual Funds are valued at each Underlying Mutual Fund's closing net asset value per share on the date of valuation.

[2] Per unit amounts were calculated based on average units outstanding during the fiscal year.

[3] Recognition of the Portfolios' net investment income is affected by the timing of the dividend declarations by the Underlying Mutual Funds in which the Portfolios invest.

[4] Ratios reflect the activity of each Portfolio, and do not include the activity of the Underlying Mutual Funds in which the Portfolios invest.

[5] Reflects the indirect expense impact to the Portfolio from its investment(s) in the Underlying Mutual Funds, based on the actual expense ratio of each Underlying Mutual Fund weighted for the Portfolio's relative average investment therein.

[6] Includes the effect of voluntary management fee waivers of average net assets. See Note 5 to the Financial Statements for details.

PORTFOLIO 2015	PORTFOLIO FOR COLLEGE	EQUITY PORTFOLIO	GLOBAL EQUITY MARKET INDEX PORTFOLIO	BALANCED PORTFOLIO	BOND AND INCOME PORTFOLIO	INFLATION FOCUSED BOND PORTFOLIO	U.S. TREASURY MONEY MARKET PORTFOLIO
$19.99	$16.04	$20.42	$14.53	$21.86	$22.59	$12.96	$1.00
0.27	0.12	0.24	0.20	0.44	0.77	(0.03)	0[6]
1.54	0.84	4.76	3.33	3.38	1.23	0.24	0
1.81	0.96	5.00	3.53	3.82	2.00	0.21	0
$21.80	**$17.00**	**$25.42**	**$18.06**	**$25.68**	**$24.59**	**$13.17**	**$1.00**
9.05 %	**5.99 %**	**24.49 %**	**24.29 %**	**17.47 %**	**8.85 %**	**1.62 %**	**0.00 %**[6]
0.20 %	0.20 %	0.20 %	0.20 %	0.20 %	0.20 %	0.20 %	0.01 %[6]
1.27 %	0.74 %	1.01 %	1.18 %	1.84 %	3.27 %	(0.20)%	0.00 %[6]
26.5 %	9.2 %	11.0 %	16.2 %	29.6 %	12.9 %	4.7 %	9.8 %
0.48 %	0.47 %	0.67 %	0.37 %	0.67 %	0.68 %	0.50 %	0.06 %[6]
0.68 %	0.67 %	0.87 %	0.57 %	0.87 %	0.88 %	0.70 %	0.07 %[6]
$489.9	$350.9	$473.0	$130.0	$268.1	$ 80.1	$ 39.6	$44.2

The accompanying notes are an integral part of these financial statements.

NOTES

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